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CANADA'S

WEEKLY NEWSMAGAZINE

Maclean's

SEPTEMBER 29, 1997

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Cover Retirement

38 Half of all Canadians hope to stop working before they are 60, an exclusive Maclean's poll reveals. But the reality may be far less rosy: millions of workers have yet to start saving for retirement, and experts say that relatively few people of any age are prepared financially for their declining years



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60 Paul Henderson's heroics in the 1972 series against the Soviet Union set off wild celebrations in Canada—and helped take the game global

From The Editor

Vancouver as City State



The occasional blast of the passenger ship reverberates across the shimmering waters of Vancouver harbor, as the majestic liner pulls away from port to make its way to open water, bound for Alaska. Fleet planes among from Victoria dip their wings around the snow-capped peaks and, as they fill the water, dodge the big yachts and crews straining against the sun at their souls. Runners leave their dawdled offices, paddling along the sea wall in Stanley Park, Quebec in a distant society? Sure. Welcome to the City State of Vancouver, a place that sees itself as the new East Coast of the Pacific—a harbor for a new breed of entrepreneurs and a bazaar for people starting a life on the road frontier.

Spend a few days talking to readers in Vancouver and there is one striking feature: most of them come from somewhere else. Bengal and India, to be sure, but also Glace Bay, Grand Falls and Georgetown. And they are often the first to rail about eastern stereotyping. Vancouver is not British Columbia, and people who think it is have missed the growing disparity between the Lower Mainland and the other regions of the province. Even Vancouver, with its congestion and slack economy, has ceased to be the economic island in days gone by; today, British Columbia ranks 39th out of the 12 provinces and territories in economic growth.

Point 2: there continues to be a profound sense of alienation from Ottawa, of course, which seems to treat British Columbians with indifference. Says one individual observer: "Charlton comes out here and when we ask him what we have to do to get more attention, he says, 'Elect more Liberals.'"



Vancouver: a very distinct society

But there is also a deep sense of alienation from the power brokers in Victoria. Glen Clark's NDP was an ill-fated margin of victory with a mere 30 per cent of the vote in the 1996 election. He did that, in typical B.C. fashion, by securing his base and moving to the centre to capture his margin of victory—just the way populists of the right used to do in the days of Social Credit. Still, many residents feel he is less the premier of all the people than the spokesman for the labor movement, whence he comes. The result is a general sense of *enferm* about politicians and an insecurity about the place of British Columbia in the nation's power structure. People don't feel they have a voice in Ottawa or Victoria.

Point 3: national unity is not a big deal on the edge of the rain forest. To be sure, there is a dissonant patriotism that is evident whenever you travel in Canada. But "national unity," the phrase has now become code for "Quebec concessions." As an *enferm* put it: "National unity is an eastern story." A senior Vancouver newspaper editor once asked Premier Clark about the unity issue and got this tart reply: "Ah, a *Globe and Mail* question."

For all its insecurity, British Columbia has become a potent player on the national stage. Clark's handling of the recent unity initiative will be crucial. If he has 100 problems on his desk, the constitution file may be the 101st. But he has been lauded a rare opportunity to be a statesman, instead of a political coalition-builder. One of the best things the country may have going for it is that British Columbians leave in their hearts what it means to be a distinct society.

Robert Lewis

Newsroom Notes:

Retirement roulette

In January, Maclean's published its first major survey of mutual funds, with rankings of the best and worst performers in the most popular fund categories. The favorable response from readers to



Lewis will guide us to able to affect retirement?

that cover package was proof of the extent to which saving for retirement has become a key concern for millions of Canadians. This week's cover, written by Assistant Managing Editor Ron Lewis, focuses on three of the most important issues in retirement planning today: Ottawa's controversial plan to reform the income-support

system for seniors, the latest trends in corporate pensions, and the thorny question of how much money individuals need to put away for their old age. The package begins on page 28.

Next week

As in-depth survey of Canadian law schools, insights in the making, will offer a comprehensive array of vital new data for prospective students, plus a report card on the schools from recent grads and professionals.

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Backstage



Anthony Wilson-Smith

Learning how to network

In the final weeks before the Sept. 16 unity meeting in Calgary featuring one of Canada's 10 premiers, the usual loud but understandable message from Prime Minister Jean Chrétien's office as the agenda was laid, Chrétien approached the premiers' offices, but was not particularly helpful. "The question you have to ask," said one of his advisers, "is whether or not this issue, is it better to try and fail, or to simply not try at all?" Because of the negative consequences to Quebec if the premiers could not agree on anything, the adviser said: "The view of many people is that it is better to not do anything."

But distrust was not held by Chrétien, who quietly met with all nine premiers before the meeting. Among other things, he sent a government of Châllenger yet to pack up Saskatchewan's Ray Buchanan and Alberta's Ralph Klein, and brought them to dinner at 24 Sussex Drive. Their meeting included several bottles of fine 20-year-old wine that Chrétien unceremoniously in the cellar of the Prime Minister's residence. He also sent the jet to Manitoba to pick up Gary Filmon for a similar dinner. Due to Montreal on Labor Day to see Ontario's Mike Harris (who was attending the Canadian Open golf tournament), arranged a meeting with British Columbia's Glen Clark at Vancouver's airport, and golfed with the Atlantic premiers. There, there was another golf game with Quebec Liberal Leader Daniel Johnson, and a two-hour meeting in his office on Parliament Hill with Reform Leader Preston Manning.

There are several lessons from all that. One is that Chrétien, despite these efforts, remains as lonely of the unity issue as ever. His representatives often believe the government was followed by a reluctance to take any credit after the relative success of the meeting (page 14).

"It would be wrong," said his communications adviser Peter Donald, "to argue to assume to attribute a great role to the Prime Minister in this. It was the premier doing it. That reticence is based on reality—although that is not always an impediment to politicians' claims of credit. One of the other key communications' unity offer is much more likely to sell in the broader arena of Quebec and British Columbia if Chrétien's name is not attached too prominently to it, and the real negotiations between Ottawa and the provinces over shifting power and responsibilities have not yet begun.

But there is another aspect to the Prime Minister's efforts that is worth rethinking on since coming to office in November 1993. Chrétien has been developing the art of behind-the-scenes networking. That, like it or not, is an essential tool for most successful politicians—but one which Chrétien either seldom tried or was

not very good at during his earlier years in politics. Despite the fellow Captain Canada image that he came to be known for publicly, he was surrounded by other politicians for spending in private with a blizzard that amounted to occasional references—and he did not work very hard to cultivate allies. It is too inelegant to be comfortable watching the phones to build and maintain relationships the manner of Brian Mulroney or John Turner, whose backbones were legendary. Asked once why he did not do so, he snorted and responded: "I don't like talking to people unless one of us has something specific to say."

Similarly, it has never been very hard to discern who Chrétien actively dislikes. That strategy would include Manning, Mulroney, Turner and almost all Quebec separatists (and most especially Jacques Parizeau, who carries the double sin in Chrétien's eyes of being both a devout separatist and a snob).

In the days in the early 1980s when Chrétien was Pierre Trudeau's high-strung Quebec ally, he made little effort to befriend other MPs from his home province. He preferred to go home to his wife, Anne, rather than attend their regular social gatherings. That precluded such his friends could, cost him dearly in the 1984 Liberal leadership race, when he was shocked and hurt to discover that most Quebec MPs supported Turner. Now Chrétien is frustrated about the importance of caucus meetings and giving all MPs a chance to speak to him. But he still generally does not understand that despite these efforts, his chilly private manner and reliance on a small group of advisers for key advice leads many of his

concerns to consider how to solve problems in his social network translate into his biggest political problems.

A believer in strong central government at heart, he is instinctively frustrated by the premier's demands for more powers. Because Chrétien has no patience with Quebec separatists, he does not understand their concerns, or know how to reach out to them. Because he dislikes Reform—a result of their harsh denunciations of individual politics—he has underestimated their residence and spread in the West.

Now, with a new Parliament opening this week, those issues are at the forefront. The premiers want a "redistributable" of power, a Quebec referendum may be only a year away, and Reform is the official Opposition. As he begins a second mandate of majority government, Chrétien has reason to be proud of his political acumen. He can tell even people if he tries, at this late stage, to reach out to those whose views he does not share or understand.

If he is to succeed, Chrétien needs to be able to reach out to others whose views he does not share or even understand

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The unity challenge

The premiers try to reach out to Quebec

BY BRUCE WALLACE

Very few politicians who have been backed from Canadian constitutional hull are eager to get back up and ride again. So what were Frank McKenna and Roy Romanow thinking of last week when they showed up in Calgary, flabbergasted with enthusiasm for resuming the race? The bulky third New Brunswick premier and his most ragged-looking Saskatchewan counterpart are both such wary agonists from past constitutional tangles. Romanow cautions to ongoing worries about fallout from the messy 1981 deal he helped cut, which put the Constitution over the Quebec government's objections. McKenna was the premier who, as a rookie in 1987, demanded changes before he would give the Meech Lake accord—the first blow in its shaky demise. Yet here they were in Calgary, carrying the draft language for another constitutional amendment in their briefcases and worrying the heck out of the other premiers, for whom constitutional is four-letter word. "These two have a sense of desperation about their role as lawyers," said one premier after the Calgary meeting. "I'm not sure they're a more modest offering than Romanow and McKenna intended." "The attitude they brought in the table was that they were prepared to do anything to appease or satisfy Quebec."

McKenna acknowledges he carries the burden of past constitutional battles. "I certainly have regrets about my failures and have always regretted my role in the Meech Lake debacle," he said. McKenna's utter reluctance to be part of a national unity success. He did not get in at Calgary, where the first Meech talks met in Quebec's absence—but that he did not did either. After plenty of what Romanow later called "hot talks—some tough language you might not print in *Macleod's*," the premiers exchanged notes, a sheet of paper in the cold Calgary night, graduated a modest victory and gratefully returned home without further argument. "The content of that statement in Calgary is about as far as you could push a consensus in this room," said Manitoba Premier Gary Filmon at last week's dinner. "You try writing to it, it falls apart."

The premiers' chief for the country's unity troubles offered seven points and took up just one page. It expressed a recognition of Quebec's "unique character" while making a firm point that all Canadians and all provinces are equal in status. Pivotal of starting

what one premier called "a political grandfather in the West," the one made sure the discourse would be acceptable to Reform party Leader Preston Manning, who is in a tussle with hardline opinion towards Quebec separatists. They even chose to use many of Manning's own words in drafting their so-called Framework for Discussion on Canadian Unity, giving the phrase protecting Quebec's right to "control and develop" its language and culture from a letter of advice the Reform leader sent to the premiers last July. As the premiers prepared to leave Calgary's stately McEwen Centre to tell the country of their accomplishment, Ontario Premier Mike Harris phoned Manning to tell him "You was."

Canadians outside Quebec will get their say in yet one more round of public consultations promised in the agreement and aimed at finding what final form—if any—this expression of affection for Quebec should take. The ever-enthusiastic Romanow insists "you could reject the state parties and very quickly work them into constitutional language," which is also the preferred and cautious interpretation of Prime Minister Jean Chretien and Quebec opposition leader Daniel Johnson. The leader of Quebec's federalists, Johnson has long urged the rest of the country to send him a written offer as to how to renew the federation. But neither B.C. Premier Glen Clark nor Alberta's Ralph Klein had their horror at the prospect of another campaign to amend the Constitution. And the Calgary test was, of course, dead before arrival with the separatist government in Quebec. "It betrays us, holds us back, reduces us," Premier Lucien Bouchard acerbically responded, noting that his province would get no special powers. After all, as Harris himself pointed out, the statement offered nothing to Quebec "other than: 'We love you and we want you in Canada.'"

That, quite clearly, left short the perfection for premiers Romanow and McKenna, and for federal government. Trying to stir his fellow premiers into making a gesture offer to Quebec, Romanow had used apocalyptic language going in to the meeting: There was a "last line" running through the country in Quebec he warned. And the time clock for bridging it was at "two minutes to midnight." But the stormy meeting in Calgary showed that the only ball left was also run through the non-Quebec premiers. In Alberta and British Columbia, where the Reform party's erstwhile militants against con-



Waving the flag during the meeting in Calgary: a modest victory

cessions to Quebec are the strongest and where referendums on constitutional change are required by law, there is no desire to re-play in public the agonies that stalked the Meech Lake and Charlottetown accords. But occasionally weaker Atlantic Canada has the most to lose should Quebec secede. The three Liberal premiers of Nova Scotia, New Brunswick and Newfoundland, all spiritually close to Chretien on the unity issue, allied themselves with Romanow and adopted a reach-out to Quebec strategy.

Of course, each premier moved across the divide at various times during the discussions. But none shared the view that McKenna and Romanow's own constitutional demands have helped push this newest round of unity talk on the country. Although McKenna did reaffirm his government's commitment to the Meech Lake accord shortly before it died in 1990, his fingerprints remain on the early attempts to strangle it. The Meech Lake experience "weighs on him," a close friend of the premier said last week, especially as his self-imposed limit of 10 years at provincial palaces nears fulfillment. He is in the twilight of his career, and when most politicians reach that stage they start to speak to the history books, said the friend. "He has the fear of God that Quebec might go."

Romanow too, while emphasizing that he is "not motivated by a sense of guilt or regret about the 1981-1993 experience," carries scars. He often muses aloud that "we may have lost part of our soul" through the trauma of the parsonage debate—when he was Saskatchewan's intergovernmental affairs minister. "It nags me somehow to the extent that I raise the issue of whether or not we have lost that soul," he said again last week. The result, as McKenna noted, is that he and Romanow "were prepared to go the furthest—the two of us are always prepared to put more on the line."

That went beyond the simple commitment to a public consultation on unity—the so-called bottom-up process—that premiers like Clark were willing to support. As the premiers arrived, Romanow was meeting with the national media outside the building, cranking up expectations for a comprehensive offering to Quebec. "I wanted to paint a picture point," said Romanow afterward, spending as

a hotel bed replaying the day. "I'm not an advocate of executive fiat either, but there had to be some medium between wide-open, unfettered consultation that results in a whole lot of demands. The prospect of consultation driving horrified Clark. I think Glen felt he was trying to stop a runaway train," said another premier.

Clark arrived an hour late, by which time McKenna had given an opening statement and canvassed the room for affidavits. But when Clark at last spoke, he said the others that his concerns focused on how difficult it would be to sell another deal in British Columbia. "The B.C. readers may not be pleased, but that's the public opinion Clark knew well," said one premier. An underlined Romanow signaled that Clark was saying he was willing to deal. "I thought then," said Romanow, "that we stood a better chance of not getting opposition from him on substance; that what he was really telling us about was the reality of being able to move it ahead in his province."

But the substance would not be easy. The premiers worked on the line without their affidavits in the room for several hours. When it appeared that some provinces were backing at recognizing the historic role of Quebec's legislature to protect the French language and culture, Newfoundland Premier Brian Tobin threatened to walk out and pronounce the meeting a failure. But the most heated arguments came over finding the language to ensure that nothing in the text would be seen as conferring extra powers or special status on Quebec. In the third draft version at 7:30 on the evening of September 10, the headline promise was proposed to declare "it is not the intention of this proposal to confer additional powers, but if any powers are conferred on any province as a result of this proposal, then these powers should apply equally to any other province in comparable circumstances."

Romanow was furious at the attempt to frame the spirit in such negative terms. Harris and Filmon agreed, pulling Klein and Clark aside to rewrite the section. The clause was later modified to



CANADA

Turning the page

Maurice Baril is now first among generals

The appointment had as much to do with what he does not bring to the job as what he does. Last week, Prime Minister Jean Chrétien appointed Lt. Gen. Maurice Baril as Canada's new chief of defence staff. Known as a no-nonsense, experienced officer who has publicly expressed his commitment to reforming the Canadian Forces, Baril, a 55-year army veteran who turns 63 this week, seems to fit the bill. Perhaps more important, he comes to the job untested by the scandal that has rocked the Canadian military. "Many factors had to be considered," Defence Minister Art Eggleton told reporters last week. "But we need someone who can take us forward and will not be overwhelmed by the controversy of Somalia." Privately, liberal insiders said much the same thing. "It was time to turn the page," said one Chrétien adviser. The government, he added, needed to appoint someone "unclouded by question marks."

Not the most ringing of endorsements. But Ottawa's motivation is not surprising, given the damage to which Somalia has dragged the Forces. Question marks were the main factor militating against the appointment of Vice Admiral Larry Murray, who has been acting chief of defence staff since October, 1996—and who, over the past year, received glowing words of praise from Eggleton. But Murray, who was deputy chief of defence staff when Canadian troops in Somalia tortured and killed 19-year-old Shidane Arwe in March, 1995, could not escape being touched by the scandal. And damage his January appearance before the Somalia commission—closed down by the Liberal government in March—Murray's testimony was highlighted by a series of heated exchanges that chairman Gilles Lévesque later categorized as "less conspicuous."

In stark contrast, Baril, who also refused a promotion to full general last week, brings a relatively unblemished public re-

cord to his new post. He was a special adviser to the United Nations during the Somalia mission—not returning to Canada until July, 2000, when he was appointed army commander. Reaction was uniformly favorable when a year later, he met a fresh scandal head-on. Faced with allegations that Canadian troops had among other things physically and sexually abused civilians in Bosnia, Baril offered an immediate inquiry into the affair, saying that he would not tolerate soldiers he called "drunks and bums" in his army.

Bold words—but more than a year later, where has that investigation gone? Last week, military spokesmen would only say that no report or conclusion is pending. And, in fact, some observers charged that Baril has been long on razzle-dazzle and short on substance. When, last fall, the Canadian government announced its costly mission to help Rwandan refugees in eastern Zaire, misadventure by that country's civil war, Baril played in charge of the operation, struck some critics as overly eager and ambitious. But as the mission turned into the "bungle in the jungle"—as troops who took part dubbed it—and the refugees, en masse, returned home to Rwanda, Baril became testy, taking out his anger on the media.

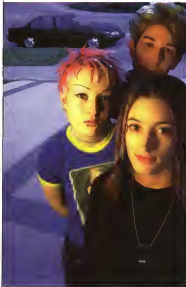
Finally given an opportunity to drive into eastern Zaire by rebel leader Laurent Kabila, whose troops controlled the territory, Baril said in a belated attempt at redemption to keep journalists from following him. When the media crews decided to wait for the general to re-emerge, Kabila's soldiers opened fire over his head—causing them to flee for cover. In light of that incident, Baril promised last week of a new era of openness and accountability in the Canadian Forces along similar lines. "There's no place to hide anymore," he declared. Probably not—given the scrutiny the new chief of defence staff will be under.

PHOTOGRAPH BY JOHN GARDNER
AND BRUCE HOLLAND in Ottawa



Baril, welcomed by the scandal that has rocked the military

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WATERLOO, QUE.

Canada The ties that bind

Even the threat of rain, posed by a low cruise boat of cloud rolling in from the Richelieu River valley in the west, cannot dampen the enthusiasm of the crowd. There are several hundred people, milling happily about on the grounds of the old, redbrick school that has perched atop Clark Hill for longer than Canada has been a country. Meanwhile, buttered cubes of corn, they bargain with someone peddling everything from dried flowers to home-made chocolate. Not far away, under a gazebo, green-and-white striped tent, the voices of 90 youngsters—Les Petits chapeaux de Grouby—deliver a clear piping tradition of an Elton John song. And out front, on the school's parking lot, Phyllis and Gordon Laflin sit, their faces, cheeks and whiskers in tune to the musical tones of veteran square dance caller Normand Beaudet. "We're here every year," pulls 66-year-old Phyllis between sips of coffee. "Why do we come?" asks husband Gordon, 65, adjusting his string tie. "Because it's us. It's what we're all about."

The Laflins are Townshippers, born and bred in a corner of southern Quebec that locals, despite the best efforts of the private call government's ever-ambitious language bureaucrats, insist on calling the Eastern Townships. It's 16,000 square kilometres of lush valleys, wooded hills and deep lakes, sandwiched between the U.S. border

and three big rivers—the Richelieu in the west, the St. Lawrence in the north and the Chaudière in the east. More than 300,000 people inhabit the area, the vast majority French speaking. The Townshippers live among them, a once-powerful, now slowly dwindling, rapidly aging group of some 45,000 English-speaking Quebecers, almost all engaged in a determined struggle for their community's survival.

It is the principal reason why so many have flocked to the hilltop schoolyard in Waterloo, a quiet town of 4,000 people 70 km east of Montreal. They are on hand to celebrate Townshippers Day, the annual event that every second, sometimes third, Saturday in September celebrates the area's anglophone as a rare opportunity to get together in salute of their beleaguered community. The festival rotates from town to town around the region. But since the first one happened 18 years ago, it has blossomed into one of the high points of the Townshippers' social season. "It's a chance to create the ties that bind us," says Gordon Laflin, "a kind of reaffirmation of our roots."

For many Townshippers, those roots run deep. The region, in fact, had an English-speaking population long before a French one. Its name derives from a 1782 decision

by the British authorities to survey the area in townships rather than the traditional Quebec seigneurial system. A year later, the first known permanent residents of what is now the town of Waterloo arrived in the person of one Eustice Lewis. He came with a wave of 30,000 Americans from New England, some of the United Empire Loyalists fleeing the American Revolution, others adventurers in search of opportunity. Another wave followed in the early years of the 19th century when several thousand English, Irish and Scots immigrants arrived, including the ancestors of both Gordon and Phyllis Laflin. By 1861, there were more English speakers in the Townships than in Montreal—close to 30,000 in all.

But the community has been in steady decline ever since. Just over a century ago, the Townships' English-speaking population actually eked out the linguistic minority. Today, anglophones represent less than 10 per cent of the region's population. And they appear to be greying at a much faster rate than their fellow francophones, with 25 per cent of the English-speaking community 60 years of age or more, compared with only 14 per cent of French speakers. There are plenty of sound reasons for the decline, many associated with social and economic trends that are similar right across the country, if not the world. But the Townshippers have also suffered from a very particular plight, inspired by successive Parti Québécois governments intent on enacting the province's English law.

It all began in 1985 when the PQ government suddenly changed the name of the Townships to L'Estrie. And it has continued right up to the present, with constant pressure on the anglophone community's schools, social, educational and health institutions. The clearest last year of officially bilingual St-Jérôme Hospital, for instance, has been followed by a string of orders this year from Quebec City forbidding bilingual signs in French-language health institutions. "People are feeling pretty beaten up right now," says Shama McCully, editor of Sherbrooke's *The Record*, the only English-language daily in the region.

If current trends continue, the situation is not likely to improve. Gary Caldwell, a sociologist by profession and Townships farmer by avocation, predicts that the decline will continue. "Unless something radical occurs to reinvigorate the community, restore its sense of confidence." That is precisely the point of their biannual anglophone Week in Clark Hill. It may be too little, too late. But the Townshippers are not going to go down without a fight—or at least a good party.

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Canada NOTES

BUILDING BANFF

Federal Heritage Minister Sheila Copps cancelled a plan by Banff councillors that would have increased commercial development within the town, part of Banff National Park, by almost 25 per cent. Copps warned councillors that any future development—either commercial or residential—must have “no net environmental impact.”

REFORM EYES ONTARIO

Reform Leader Preston Manning announced his party intends to hold grassroots consultations on how to unite the federal right-wing vote in Ontario, where the party was shut out in the last federal election. But Tory Leader Jean Charest rejected the notion of any merger, saying that Reform's real agenda was the destruction of the federal Conservative party.

B.C. LIBERALS BUOYED

Provincial Liberal Gordon Hogg won a B.C. by-election in the riding of Burnaby-White Rock, garnering more than twice the number of ballots cast for the second-place B.C. Reform Party candidate. The NDP placed third with only 14 per cent of votes. Observers said the win bolsters Liberal Leader Gordon Campbell, who has been roundly criticized for his party's lackluster performance, both during the 1996 election—won by the New Democrats—and after.

CAUSE OF A TRAIN WRECK

The Transportation Safety Board reported that a fatal train wreck near Edison, Ala., in August, 1996, was the result of poor timing of CN Rail personnel and a lack of proper equipment. The accident occurred after 28 unstrapped boxcars rumbled down track for almost 10 km before colliding head on with a locomotive, killing the three men aboard it.

ENVIRONMENTAL VICTORY

The Supreme Court of Canada, in a 5 to 4 decision, ruled that Ottawa has the right to enact legislation to protect the environment. The issue had been initiated by Hydre Quilley, which challenged the government's authority after the city was accused of causing a PCB spill in the Saint-Maurice River in 1990. Hydro Quebec and Ottawa's Environmental Protection Act, passed in 1985, was unconstitutional.



Protesting against Bill 120: staydown over the Tories' promise

Ontario backs down

The move took Ontario's public sector unions by surprise. Last week, facing the threat of rotating walkouts, the provincial government announced that it will withdraw articles of its controversial new labor law Bill 120, now before the legislature, would have temporarily banned public service strikes and allowed for the imposition of contracts—measures the Conservative government claimed were necessary to facilitate the province's sweeping reorganization of municipalities and hospitals. But last week, Labor Minister Elaine Weiler said that the legislation—which

affects 450,000 workers—will be amended so that employees will keep their right to strike and be allowed “free collective bargaining for a first collective agreement” with the newly unionized editors.

The move marked the Tories' first major compromise since taking power in 1995. But union leaders remained skeptical of the government's promise: the text of the revised bill will not be available until Sept. 25, after public hearings on Bill 120 have closed. They did, however, call off rotating strikes, which were not to begin this week, and said they want to meet immediately with the government. “We won't walk while we talk,” said Jerry D'Arcy, national president of the Canadian Union of Public Employees.

The Tories' move, Education Minister John Snodgrass announced that compulsory legislation aimed at reducing the number of school boards will not remove the right to strike from the province's 125,000 teachers—as had been widely anticipated. “Our mutual objectives can be met within normal labor practices,” Snodgrass said.

Probing hospital deaths

The inquiry began in March, 1996, and since then Manitoba associate chief provincial court Judge Murray Sinclair has faced a litany of harrowing stories about the pediatric open-heart surgery program at Winnipeg's Health Sciences Centre. Although the inquiry is concentrating on 12 infant deaths that occurred in 1994, more than 100 babies died between the program's opening in 1981 and its closure in December 1994. And last week, Dr. Joseph Odeh, head of child surgery that year, testified that the work conditions were such that, in hindsight, he should not have performed the operations.

Odeh complained that he did not get the special-sized nursing assistant he had been promised when he was first hired. He also said he had no control over who worked for the cardiac surgery unit, and described his relationship with staff as confrontational. “Perhaps I should have withdrawn my services at Day 1 until certain conditions were in place—the things I do quite well for—before I was thrown from the coast,” he said. But Odeh, whose Winnipeg job was his first full-time position as a surgeon, has himself come under fire. Some investigators have claimed that there were “technical deficiencies” in his operations. Other medical staff have testified they would not have allowed their own children to undergo surgery at the centre.

JUSTICE

A mass murder

RCMP in the Vancouver Island community of Black Creek searched a man for a gun, after a mother and her four children were kidnapped for death. David John Gorton, a 37-year-old newspaper delivery man, is being held in connection with the murders of his common-law wife, Heidi Chifford, 26, and her four children: sons, Bailey, 12, David, 9, and Kieren, 6, and daughter Jewel, 2½. After a door-to-door search at every hotel and motel in the area, late last week the RCMP found Gorton—who offered no resistance—at the Stoney Hollow Motel in the nearby town of Courtenay, on the east coast of Vancouver Island. Gorton's parents had discovered the bodies of Chifford and her children, all of whom appeared to have been killed with an axe, after they were unable to make telephone contact with the family. “It's a terrible disaster, a shock to a small community,” said Black Creek resident Dora Johnston.

Under friendly fire

Land mines and fish test Canada-U.S. relations

BY ANTHONY WILSON-SMITH

To better understand relations between Canada and the United States, consider how two conflicting Canadian approaches will produce the same result. When Brian Mulroney was prime minister, he liked to publicly stress the value of close relations with the United States—while working privately to smooth out any disputes. In contrast, Pierre Trudeau emphasized the differences between the two countries, and played down similarities. Yet the overall state of relations seldom seems to change much no matter who is in charge. "You can always count on a certain ebb and flow in the tide between the two countries," says Dr. Victor Kozmin, the Ottawa-based director of the Canada-U.S. Fulbright Program. "And you can also be sure that it will never lead too far in either direction."

Perhaps, but these days, even as Prime Minister Jean Chrétien reflects a middle-ground stance somewhere between that of Mulroney and Trudeau, the gulf is unmistakably growing between Ottawa and Washington. Whether by land or sea—specifically, in disputes over the use of land mines and salmon quotas—the differences between the two sides have seldom seemed more acute. The most damaging to Canadian interests is the increasingly heated dispute over salmon fishing rights off the coast of British Columbia. Last week, the release of a stern letter from President Bill Clinton about Canadian actions muted B.C. hatches near Soos after word, two separate subcommittees of the House of Representatives examined the issue—and succeeded only in adding to the confusion and anger surrounding it. The other friction point, which caused Canadian officials to react with disappointment, but little surprise, was the U.S. refusal to join close to 90 countries in backing an international treaty sponsored by Canada that seeks to ban all use of antipersonnel land mines.

To those issues, add concern over a new American visa policy that could create border hardships, as well as the U.S. approach to expanding the North American Free Trade Agreement (page 28), and it is small wonder that Clinton has recently been staying up later than his usual 10 p.m. bedtime, working on the telephone to the White House. At various times during the past two weeks, the Prime Minister, and an aide has requested late-night calls with Clinton on both the fisheries dispute and the land mines ban.

The salmon issue is the most difficult to resolve. It involves ancient Canadian claims of overfishing by Ameri-

cans off the coast of British Columbia—exacerbated by a four-year deadlock in negotiations over quotas between the two countries. Last week, Alaska Senator Frank Murkowski made public a letter from Clinton saying that the United States will "take appropriate countermeasures" to respond to any future harassment by Canadian fishermen. That was in response to an incident in late July in which about 300 Canadian fishing boats blocked an American ferry carrying 300 passengers for three days in the northern B.C. port of Prince Rupert. Clinton's letter described the incident several times as "very serious" and noted that the U.S. Senate has also passed a resolution condemning Canadian government



Swapping for mines in Cambodia:
A hunt in Canada

that managed, in the opinion of supporters, to achieve results far beyond those originally expected. The most important consequence of the treaty, said lawyer Louise Downes-Beck of the International Committee of the Red Cross, is that "this will be the first time ever that international humanitarian law has prohibited a weapon in wide-spread use."

In fact, given diplomats' penchant for wrangling at matters of except clauses into international agreements, one of the most striking elements of the treaty is its blunt, unqualified language. The first article declares fully that each country signing the document "undertakes never under any circumstances... to use antipersonnel mines" and to "destroy or ensure the destruction of all antipersonnel mines" in their possession.

But it was that same commitment to unambiguous language that ultimately resulted in Clinton's refusal to insert a clause—and that, indirectly, resulted in a reaction of Canada by annulling after 18 days. Right up to the final hours of negotiations in Oslo, the Americans suggested they would endorse the document if it contained several changes, including a new clause that would allow it to be applied to cover a period of five years.

As well, the Americans wanted an exception made in the world's last Cold War zone—the Korean Peninsula—and an addition that would allow a signatory to abandon their ban if attacked by another country. Without these additions, Clinton said, American troops in combat zones could be exposed to "unacceptable risks" and that "a line is simply cannot cross."

At first, Canada appeared prepared to go along with the U.S. wishes in Oslo if it meant that Washington would then back the treaty. That in turn would have increased the pressure on other key nonparticipating countries such as Russia, China, India and India to take part. But then Clinton's "baker's dozen" deal was due to be approved in Oslo. Clinton phoned Chrétien in Ottawa at about 3 a.m. to ask for a 24-hour delay in the talks. Chrétien called him back an hour later and told him that Canada would sign the monochrome. But, on one side, Chrétien said that his delegation members in Norway "were sure the deal would go through even if Washington didn't sign it." Yet Canada's withdrawal even to consider such concessions to the United States drew heated criticism from most of the other delegates.

In the wake of Washington's refusal to sign, the pressure on Clinton to reverse his mood appears likely to become even more intense. A group of Nobel Prize laureates, including Desmond Tutu, Mikhail Gorbachev and Zach Waisman, wrote Clinton last week asking him to reconsider. They added that Mother Teresa endorsed their wishes several days before her death. Former president Jimmy Carter called the U.S. position "embarrassing." And even as Clinton

tried to abide by the 1985 Pacific Salmon Treaty, Ottawa, led by Foreign Affairs Minister Lloyd Axworthy, has taken a more cautious stance—and was the one of many British Columbianers for going so. That has provoked a split within the federal cabinet. Federal Fisheries Minister David Anderson, who represents B.C. riding, has been much more outspoken on the issue than Axworthy, and Ottawa sources say the two men have had several sharp disagreements over it.

Yet the Americans are not unaware to the kind of jurisdictional bucking and internal disputes that Canadians find so worrying in their own country. Outside a house of Representatives subcommittee hearing last week in Washington, Dennis Brown, an senator in British Columbia's Clark, had an emotional exchange with Alaska's representative on the Pacific Salmon Commission, David Benton. Benton to settle the issue through binding arbitration, Benton took, citing the variety of states and interest groups who must agree to any deal. "Star fear of jurisdictional arbitration suggests a weak army," said Brown. "What have you to fear?" Barked the Alaskan representative. "We don't have anything to fear. It's just a matter of our law." At another subcommittee hearing the next day, conservative Alaska Congressman Don Young asked a state department official about rumors in his state that Washington might settle the salmon dispute in terms favorable to Canada so that Ottawa would then keep troops in Bona. "I hope that's not true," said Young, who is recovering from heart surgery. "Because that's really going to get us old heart jumping." The puzzled official coughed.

There has been no duopoly in Ottawa over the American position on antipersonnel land mines. By the end of last week, representatives of the nearly 90 countries meeting in Oslo, Norway, had agreed on a treaty that would completely ban the devices, which are blamed for killing or maiming up to 20,000 people every year. The document, which will be formally signed in Ottawa on Dec. 3, does something successful 13 months earlier by the federal government

STAYING WITH MINES

Although more than 100 countries are expected to sign the Ottawa-inspired treaty banning antipersonnel and mines, nations that have so far stayed out of the pact include the world's top military powers and many of its regular belligerents. Major examples:

- ▶ CHINA
- ▶ CUBA
- ▶ GREECE
- ▶ INDIA
- ▶ IRAQ
- ▶ ISRAEL
- ▶ NORTH KOREA
- ▶ PAKISTAN
- ▶ RUSSIA
- ▶ SOUTH KOREA
- ▶ SYRIA
- ▶ TURKEY
- ▶ UNITED STATES



Clinton gives U.S. position, backed by Secretary of State Madeleine Albright and Defense Secretary William Cohen. Note might calls

for "killing to accept its responsibility for the blockade." The relatively harsh tone of the letter and because it was made public by Mulroney, inspired hopes in Ottawa that the dispute could be resolved through open diplomacy. The letter, as it was referred on the morning that Chrétien and Clinton spoke privately by telephone. It was bound to play into the hands of B.C. Premier Glen Clark, who has aggressively backed the fishermen and, against the wishes of Ottawa as on their behalf, sent the U.S. federal government. Alaska and Washington state for 800 million, alleging they have

WORLD.

declared that he could not back the treaty in its present form, he announced a series of new supportive measures. They include a renewed commitment to help clear mine fields and instructions to the Pentagon to develop alternatives that will allow the United States to join the ban within 10 years.

But supporters of the U.S. position point to the country's responsibility as the world's sole superpower in explaining its reservations. For example, in the demilitarized zone between North and South Korea, mines play an integral role in protecting the 37,000 American troops stationed there. They and the South Koreans are easily outnumbered by the one-million-strong North Korean army, much larger than the world. And other countries with a demonstrated history of hostility towards the United States, such as Iraq, did not take part in the Oslo meeting. Even several nations that did attend—including Norway and Israel—indicated that their own concerns about security left them unsure whether they would sign the treaty in Ottawa. Russia's delegate, who attended as an observer, complained that the process was divisive, pitting his supporters against "those who are not yet ready"—essentially, he noted, that contain two-thirds of the world's population.

Still, the result provides an enormous boost to Canada and, specifically, Anwerkh, who is acknowledged as the father of what has become known as the Ottawa Process. In fact, the entire approach resulted from a spur-of-the-moment challenge Anwerkh posed to delegates at an international land mine conference in Ottawa last October. There was an immediate response—voluntarily, earlier this year, an announcement that Anwerkh had been awarded for the Nobel Peace Prize by U.S. Senator Patrick Leahy. The ban campaign also took a major leap forward when Queen Elizabeth II endorsed the idea earlier this year making much-publicized trips to Angola and Bosnia where she posed poignantly with land mine victims.

Now Canadian officials are in the relatively rare position of naming and watching for the Americans to make the next move on both the treaty and the fishing dispute. On the issue of the land mines ban, said an adviser to Clinton, "we think it is quite possible they will come aboard, but we're not yet prepared to say probably."

Stability, a fishing consensus seems as the way as ever. Privately, federal officials as the Canadian side concede it is likely to be months before any new agreement is reached. And as with the land mines treaty, conceded a Clinton adviser: "we are more worried than optimistic."

That description might also apply to Washington's new ambassador in Ottawa, Geraldine Gilia, who had the misfortune to take up his post officially just weeks past as the series of controversies heated up. In his first meeting with reporters, Gilia claimed to still be "on page 7" of the briefing book the state department gives new ambassadors—but has clearly learned some lessons well. Displaying perfect command of diplomatic ease, Gilia said of the disputes: "We're having to active dialogue on a number of important issues." Then he laughed at his own reticence. In the latest ebb and flow between Canada and its closest but most frustrating friend, more such displays of discretion and humor might serve both sides well.

PHOTOGRAPH BY PHILLIPS IN WASHINGTON; ANWERKH (REUTERS) IN OTTAWA; AND JOANNE VIELIN IN GOLF

THE WORLD'S LONGEST BORDER TRAFFIC JAM?

There's a price for being nice, and in Canada's case it sometimes means being overlooked by your neighbor. That may be the lesson born last week's flap over an impending American crackdown on Canadian entry and leaving the United States. The problem is a U.S. law intended to persuade foreigners who abuse their temporary sta-

te in both countries are ex- tending the virtues of free trade and more open borders.

In fact, the measure was ne- cessitated to offset the Canada-U.S. border. Canada's ambas- sador to Washington, Rowland Christian, complained to key members of Congress about the law last late year and received high-level assurances that there was no intention of making Canadians fill out the forms. But Congress did nothing to change the law and U.S. border author- ities started making plans to re- impose the new controls. So last week, Canada stepped up its fight to head off the problem.

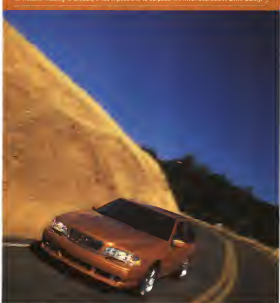
Doug Waddell, the No. 2 official at Canada's embassy in Wash- ington, spoke out at a meeting of the CanAm Border Trade Al- liance, a business group dedi- cated to free flows of people and goods. Waddell pointed out that last year alone, there were 116 million border crossings from Canada to the United States. With the prospect of massive disruptions looming, Waddell said, "We are alarmed, disappointed and just a little frustrated."

That helped to get the Ameri- can attention. John LaFalce, a Democratic congressman from Buffalo, N.Y., close to the busy Peace Bridge crossing point at Niagara Falls, introduced an amendment to the law in the House of Representatives that would exempt Canadians. LaFalce called the failure to do so earlier an "oversight." In the Senate, Republican Spencer Abraham of Michigan, home of the congested Detroit-Windsor border point, promised to take similar steps. In the end, offi- cials of both countries were ap- pealing that the legislative chaos will be headed off. "The good news is we've got plenty of time to figure this out," said newly arrived U.S. Ambassador Gordon Giffin in Ottawa last week. But the humbling fact was that it took a mild storm just to get the Americans to pay attention to the country they had as their greatest friend.

ANDREW PHILLIPS in Washington



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Making the crossing near White Rock, B.C.: a demand for more

tus in the United States. Starting on Oct. 1, 1998, all foreign- ers, including the millions of Canadians who make quick trips across the border, would have to fill out forms instead of being waved through after a few per- functory questions from an American official. By 1999, some foreigners would have to obtain a special card, encoded with passport and fingerprint in- formation. The result of the extra red tape would be chaos: hour-long lines at congested crossings at a time when offi-

The fast-track fight

Canada has a stake in a U.S. struggle over trade

A twelve-haired little girl rubs on a strawberry as a television commercial intones:

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It may be a stretch to link strawberries and the rather esoteric subject of President Bill Clinton's bid for so-called fast-track authority to negotiate international trade agreements. But the campaign has opened a lightning fast track down exactly that. The AFL-CIO labor federation spent \$1.4 million to broadcast a 30-second TV spot in 13 states that condemns continental free trade for allowing tainted fruit from Mexico to enter the United States more easily. Fast track may be a classic MEGO (my eyes glaze over) issue for most Americans. But it is shaping up as the most hotly fought political contest of the fall—and one that could directly affect an array of Canadian interests.

At first glance, what Clinton is seeking seems straightforward: the power to negotiate trade deals with foreign countries without fear that they will be annulled later by the U.S. Congress. Under fast track, Congress would be able only to approve or reject a proposed agreement, but not amend it. Clinton argues that other countries will not bargain in earnest if they believe Congress will try to win additional concessions from them before approving a deal. Presidents had that authority from 1974 to 1994—but Clinton's clause because he did not leave a fight on the issue inside his own Democratic party as the 1996 presidential election neared. Now, as he seeks to extend free trade to Chile and eventually to the rest of the Americas, the President wants Congress to give him the power back. It is, he argued as he launched his campaign at the White House, a choice between keeping the United States "at the mercy of its industries or becoming" "withdrawn from the world."

In fact, the fast-track debate has become both a replay of the 1980 battle over the North American Free Trade Agreement with Canada and Mexico—and an early taste of the next presidential election. By now the arguments are all too familiar to both Americans and Canadians. Clinton, backed by big business and most Republicans, argues that expanding global trade is essential to keeping the U.S. economy booming. On the other

ANDREW PHILLIPS
IN WASHINGTON

side, the labor movement argues now—as it did four years ago—that trade deals with low-wage countries hurt American workers and undermine health and environmental standards. Because the United States is so heavily dependent on imports, the labor movement is particularly vocal. Most Democrats in Congress are lined up with labor, and there is no other subplot in the complicated battle. If Richard Gephardt, the Missouri congressman



Anti-NAFTA activists in Ohio. Washington's lawmakers have presidential ambitions

who leads Democrats in the House of Representatives, is the most prominent opponent of free trade and fast track, while Vice-President Al Gore is a strong supporter. Most observers predict a battle between Gephardt and Gore to succeed Clinton as the Democratic presidential nominee in the year 2000—making the fast-track fight the first marshall of their struggle.

The danger for Canada is that in the rush to secure support in Congress by the time it adjourns in November, Clinton may promise to take a tougher line in areas where American interests feel pinched. The U.S. dairy, poultry and wheat industries, for example, have standing complaints against Canadian producers. Canadian trade officials fear the administration will try to run over unfed members of Congress by gleefully acting against Canadian interests. That happened

in 1993, when the administration promised to limit the amount of Canadian wheat allowed into the United States in return for the support of congressmen and senators from northern wheat-producing states—and Canadian producers are braced for an offer as such. "There are going to be a lot of backside deals to swing votes," said a Canadian trade official in Washington. "We have to watch that our interests aren't caught in the squeeze."

Officially, Canada supports fast track as a signal that the United States wants to re-engage a leader in expanding global trade. Trade Minister Sergio Marchi even offered at one point to lobby Congress and make speeches worth of the border if that would help Clinton—as did just several independent experts eagerly include. The last thing Canada needs, they say, is to stick its fingers in a tangled U.S. domestic dispute.

Unofficially, there is a realization that the current situation with Canada just fine. At

long as the United States is hesitating in reaching international trade agreements with countries such as Canada can take advantage by cutting deals with new markets—as Clinton did last year by negotiating a free-trade arrangement with Chile. "Canadians are playing this very well," says Christopher Bards, director of the Canada Project at the Center for Strategic and International Studies in Washington. "They're exploiting the gap between what the U.S. says it wants and what it actually does." Clinton himself held up Canada's Clinton deal as proof that the United States is falling behind in the race to secure new markets. Now he is warning, "every major country in this hemisphere has duty-free access to Clinton markets; every country but one—ours." The trick for Canada will be to make sure it doesn't get squeezed as the Americans try to close that gap.



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WORLD CHINA

The new emperor



Display in Beijing compares Jiang, left, to Deng, right. He's a pretty clever politician

The sick barrel leader of one-fifth of the world's population has been known to break into song at official gatherings. Zhou Enlai's *Lone Me Zhen* is among his favorites, along with British ballads. Diplomats and foreign journalists used to regard Chinese President Jiang Zemin as a bit of a buffoon. No longer. When he closed the Chinese Communist Party's 15th congress last week, Jiang declared the meeting "historically over." The victory was all his.

The 71-year-old leader emerged from the week-long congress, held every five years, significantly more powerful than he was before it. He had succeeded in pushing through a radical plan to privatize much of the country's deeply troubled state industry. He had also safe-harbor party opponents. His annual performance capped a year in which he has scaled easily through such potential storms as the passing of party patriarch Deng Xiaoping in February and Britain's return to Hong Kong in July. Jiang, whose biggest job had been mayor of Shanghai before Deng elevated him to successor status in the wake of the 1989 massacre of pro-democracy protesters in Beijing, has clearly grown into his new role. "I think he has been pretty aggressive since the death of Deng Xiaoping," said a Western political scientist in Beijing. "He has shown that he's a pretty clever politician."

The key challenge he and his colleagues

now face is handling the world's fastest-growing economy. Under the direction of arch-brained economic czar Zhu Rongji, it has been a glowing success story in recent years. The once double-digit inflation rate has been brought down to less than five per cent, the country's leading stock markets are soaring, foreign investment is flowing in, and growth is tipped to pass 10 per cent this year. But foreign and Chinese analysts alike have long known that China would one day have to bite a very hard bullet—return of the country's vast, money-hungry army of state-owned enterprises.

Weighted down by heavy debts, a huge welfare burden, too many workers and obsolete equipment, the 170,000 enterprises represent a massive drag on the economy. But they also employ more than 100 million Chinese, who would face losing their "iron rice bowl" if downsized out of their lifetime jobs. China's leaders have long feared the social unrest that could ensue. Nonetheless, in an opening address to the congress, Jiang indicated that the party was finally sharpening its bullet-biting teeth.

Although his speech was longer on rhetoric than drill, Jiang outlined a series of groundbreaking measures for the state enterprises. Carried out to the letter, "privatization," he talked of allowing managers, with effort and hard work, as well as sharp losses to employees and the public. If fully implemented, the new policy would

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WHAT MATTERS TO CANADIANS

WORLD

effectively mean that China's system was
Communist only in name.

Jiang did stress that public ownership
must remain dominant. However, he
stretched the definition to the breaking
point. "Shareholding, for instance, could ex-
ist" under both capitalism and socialism," he
mentioned, explaining. "The key lies in who
holds the controlling share." The president
also touched on the touchiest issue about re-
form: unemployment. "It will cause tempo-
rary difficulties to part of the workers," he
acknowledged. "But fundamentally speak-
ing, it is conducive to economic develop-
ment, thus conforming to the long-term in-
terests of the working class."

Still, Jiang offered no timetable for the re-
forms nor details of how they would be
brought in. He also implied that while small
or middle might be allowed to go under, large
state enterprises would continue to receive
support. The process is likely to be gradual,
says Tim O'Neill, Toronto-based chief econo-
mist for the Bank of Montreal, whose board
will hold its first meeting outside North
America in Beijing next week. "There isn't
yet a fully considered willingness to make
the state sector run as if it were a privately
owned firm," he says. "The real key to
progress here is to allow failure to occur.
That is probably the most difficult thing for
any highly controlled socialist economy."

Jiang, however, will have a much freer
hand to deal with such issues in the wake of
the congress. In a surprise move, he man-
aged to ouster the political demise of his
leading rival, Qiao Guo, the 72-year-old
chairman of the National People's Con-
gress, China's parliament. Qiao failed to
make the list of the party's central commit-
tee, elected at the congress. A week earlier,
Jiang had scored against another key op-
ponent. Former Beijing mayor Chen Jitong
was stripped of his party membership, then
falsely accused for alleged involvement in a
long-running corruption scandal.

When the new party lineup was unveiled
late last week, economic boss Zhu had
jumped from fifth to third place, behind Jiang
and Premier Li Peng. The urban Zhu, like
Jiang a Shanghai politician and an English
speaker, now seems likely to take over the
premiership when Li steps down next
March. Li, a powerful figure but in-
creasingly beholden to Jiang, is expected to
leave Qiao's post at the National People's Con-
gress. Other appointments made it clear that
Jiang will still have to dole out some less
than friendly colleagues, but there is no doubting
his increased clout. "Chinese have only one
experience, and Jiang is deadly it," said a Euro-
pean diplomat in Beijing. It may be too early
to declare the Jiang Dynasty, but the presi-
dent has plenty to sing about.

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PHIL MCGINLEY in Beijing

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World NOTES

SETTLER STRIFE

Israeli peace activists joined local Palestinians in protests against Jewish religious zealots who moved into an Arab neighborhood in East Jerusalem. Three families who set up house on property purchased by an American Jewish settlement later agreed to move out to defuse tensions. But in a controversial compromise with Israeli authorities, Orthodox settlers stayed on the site to guard the homes.

A PARLIAMENT FOR WALLS

Wales will get its first elected assembly in 400 years, after a vote this month of 86.3 per cent of voters cast a Yes ballot—far lower than in a similar referendum in Scotland a week earlier. Only half the eligible voters in a population of 2.2 million turned out. Prime Minister Tony Blair claimed the result as a success in his drive to decentralize and reform British government.

A WOUNDED AIR FORCE

Five tank crashes in a week cast a pall over the 50th anniversary of the modern U.S. air force. Defense Secretary William Cohen called off flights for 24 hours, but authorized flyover celebrations just days after 32 people were killed when American and German air force planes collided off the coast of Hamburg. A Spanish bomber also exploded in mid-flight at a Baltimore air show, and two F-16s collided. Two F-16s also went down—a marine cargo plane in North Carolina and a navy jet in Oman.

DIGGING UP DNA

The body of Dr. Ben Sheppard, who inspired both the TV series and the 1983 movie *The Fugitive*, was exhumed in Columbus, Ohio, for DNA testing. Sheppard's son hopes a comparison with DNA taken from a bloodstain at his childhood home will help in a civil suit for wrongful imprisonment of his father in the 1964 bombing death of his mother. The older Sheppard—eventually a fugitive—was exonerated in 1966 and died in 1970.

BRITISH RAIL TRAGEDY

A passenger train from Swansea, Wales, collided with an empty freight train at Southall station in west London, killing six people and injuring about 172. Sixteen people had to be moved from the wreckage. The crash was the worst in Britain since 1982.



TARGETING TOURISTS:

Police secure the area in front of Cairo's Egyptian Museum after an assault on a tour bus that killed nine Germans and their Egyptian driver. Assassins fired machine guns and hurled petrol bombs at the bus, parked in the heart of the capital. Some victims were charred beyond recognition. Although no group claimed responsibility, Muslim militants were widely suspected. The Egyptian government cracked down hard on Islamic extremists after an earlier series of attacks on tourists. This was the first in 18 months.

Prince Charles, heart to heart

Prince Charles was already showing the face of a lost forrest monarch. In his prompt remarks at his first public appearance since the fatal two weeks earlier of his ex-wife Diana, Princess of Wales, Charles thanked the public for its "heartfelt expressions of sympathy." He also praised the courage and dignity of his sons William, 15, and Harry, 13, and said that the boys were comforted by 300,000 "cuddling letters" they had received. Charles added that he, too, would always feel the loss of Diana. Only then did he begin his formal speech at a Salvation Army center in Manchester.

In Paris, investigators were flustered by the apparent memory loss of Trevor Rees-Jones, a

29-year-old bodyguard and the sole survivor of the Aug. 31 high-speed crash that killed the princess, her friend Dodi Al Fayed, and driver Henri Paul. Court sources said Rees-Jones, who is recovering in hospital from major head-reconstruction surgery, told an investigating judge that he could not recall anything later than climbing into the ill-fated Mercedes sedan outside the Ritz Hotel. He said that Paul, who tests show had more than three times the legal limit of alcohol in his bloodstream at the time of the crash, "seemed fine." Police, meanwhile, were unable to identify a car that may have slowed down or swerved in front of the Mercedes. Bits of a Fiat Uno tailgate were found inside the Mercedes's wreckage.

Tough new rules to save the Earth's ozone

On the 10th anniversary of the 1987 Montreal Protocol—considered the most comprehensive effort to save the Earth's atmosphere—delegates to a follow-up conference in the city agreed on new measures to reduce the use of chemicals that deplete the globe's ozone layer. Participants set up a licensing system for chlorofluorocarbons, or CFCs, to curb a growing black market in compounds such as coolants for air conditioners. The meeting also agreed on the phasing out for methyl bromide, used in pesticides, from 2010 to 2005. A Canadian study predicts that the 1987 protocol will prevent 120 million cases of skin cancer by 2000.

Getting Ready for Retirement

Neglecting to plan for the future is the rule in Canada, not the exception



BY TOM FENNELL

Brian Burton and Diane Gale have several things in common. Both are in their 40s, both are married with two children and both spend a great deal of time pondering their retirements. But the statistics tell them: Burton, a freelance writer in Calgary, and his wife, Barbara, a newspaper editor, are getting ready for their old age by contributing as much money as they can every year to their RRSPs. They own a spacious home in the city and have also invested in a serviced lot in Canmore, Alta., near Banff National Park, where they plan to live out their golden years surrounded by spectacular mountain scenery. Ask Burton about the route to a successful retirement and he confidently replies: "Save money, get your mortgage paid off and maximize your RRSPs."

In contrast, Gale, a home-care worker, and her truck driver hus-

band, Ron Agnew, are deeply worried about the future. Most of their combined \$44,000-a-year income goes to caring for their children and making the mortgage payments on their two-bedroom bungalow in Toronto's west end. So far, they haven't put aside a cent for their old age, and unless they win a lottery Gale cannot see how they will ever be able to afford to retire. "I don't know what's going to happen to me," says Gale. "I'm a worry, but maybe I won't live to be 65 so it won't matter."

While Burton and his wife are taking the right steps to protect themselves financially, Gale and Agnew are in trouble with their typical of Canadian households. Gale has no idea what her small company person will pay when she retires, her husband's company does not even offer one. She readily acknowledges that saving as little as \$10 a month would significantly improve their quality of life when they

are elderly and yet they have not managed to open a single RRSP. Their inability to plan for the future is the rule in Canada, not the exception. Only 42 per cent of the Canadian workforce is enrolled in company pension plans. The rest must somehow put aside hundreds of thousands of dollars if they are to have any hope of a comfortable retirement, yet in 1995 only 5.7 million Canadians—a third of those eligible—contributed to RRSPs. "I'm sure there are a lot of people who won't have any money when they get old," says Gale. "What worries me especially is whether there is going to be any money coming in."

The outlook is perhaps not quite as bleak as she fears. With help, the Canada Pension Plan and Ottawa's proposed new Seniors Benefit will be around in the future to make life a bit easier for lower-income Canadians—although seniors in higher tax brackets can request the support (page 42). The question, then, is not whether today's workers will be able to afford to retire at 65, but how well they will live when they do. Adding to the uncertainty is that the number of Canadians in company pension plans is shrinking, and virtually all the plans being created are so-called defined contribution plans or group RRSPs that leave the investment decisions—and the risks—at the hands of individual workers (page 40).

Still, a surprisingly large number of Canadians remain optimistic about their chances of retiring early. A poll of Canadian investors conducted for *MoneySense* by Marketing Solutions, a Toronto-based financial services consulting firm, found that 40 per cent of respondents hoped to say goodbye before they are 60. As Marketing Solutions president Dan Richards puts it: "Clearly, Canadians are being in a state of mass optimism. There is no way on God's green earth that the average person is going to be able to retire in comfort at

Marion's FINANCIAL SOLUTIONS POLL

Survey responses are based on telephone interviews with participants at joint financial decision-makers in 1,000 Canadian households with at least \$10,000 in savings. The figures given are considered accurate to within plus or minus five percentage points, 19 times out of 20. Results may not add up to 100 because of rounding.

At what age do you hope to retire?



■ before 60 ■ 60 to 64 ■ 65 to 69 ■ 70 or more

age 58, given what we know about the savings rate." The biggest concern is for young people who will likely spend their careers moving from job to job, many of which offer little or no pension or other retirement savings plan whatsoever. If they do not begin saving now for retirement, they may find themselves forced to continue working well into their 70s. Analysis, however, says few people of any age are prepared financially for their declining years. Fully a quarter of the population will not even have \$100,000 in savings by the time they turn 60. "The majority of Canadians are not really doing a detailed analysis of what they need in retirement," says Bruce Armstrong, director of retirement services for the Bank of Nova Scotia in Toronto. "So when they finally have to live off the money from those savings, they have to adjust their expectations—usually downward."

The retirement planning scramble is bringing thousands of worried people into the offices of financial planners across the country. One question comes up again and again: how do I put aside enough now to protect my future while still paying for a mortgage and my children's education? Kevin Moriarty, a principal at Toronto-based William M. Mercer Ltd., Canada's largest pension consulting firm, offers a blunt answer regardless of their age: "people who have yet to begin saving should start now—and should learn to closely monitor the performance of their investments." The cold reality says Moriarty, is that by the time they leave the workforce, people need to have at least \$100,000 in savings for every \$50,000 a year they hope to generate in retirement income from sources, as other words, a \$50,000 income would require \$500,000 in savings. To reach that level, a 25-year-old investor would have to save \$5,000 a year on compound 6% returns inside an RRSP for 30 years and then allow that return on investments of eight per cent. If the same person

BUILDING A GOLDEN NEST EGG

How much do you need to put aside for retirement? The answer depends partly on when you start. The following figures show how much someone would have to save every year to generate an annual retirement income (excluding government and company pension benefits) equal to \$60,000 in today's dollars, assuming the individual stops work at age 65 and retires at 70. The calculations are based on a three-per-cent annual inflation and an eight-per-cent return on investments. Experts say that, in general, a pension needs 70 per cent of his or her pre-retirement income to maintain a similar standard of living after retirement.

	SAVINGS REQUIRED AT AGE 65	ANNUAL SAVINGS
Starting at age 20	\$2,014,367	\$5,222
35	\$1,259,523	\$17,154
50	\$832,544	\$15,938

SOURCE: T. L. FINANCIAL CONSULTANTS LTD.

Retirement planning is at best an inexact science

waited until age 45 to begin saving, he or she would need to put away \$14,000 a year for 30 years. The figure jumps to a staggering \$35,000 a year if the saving begins at age 55 and there are only 10 years left until retirement. "If you do not start early enough, the goal will become unreachable," says Jary Kopach, vice-president of retirement services at F. E. Financial Consultants Ltd. in Toronto.

In some ways, the generation that retired over the past 30 years was more fortunate. Many qualified for government and private pensions that provide nearly 75 per cent of the incomes they received while they were working. And for millions of mortgage-free seniors, the explosion in real estate values since the 1980s has been a financial windfall. Future generations, however, may not be able to count on property prices keeping up with—inlet alone outpacing—inflation. At the same time, the dramatic decline in interest rates this decade has reduced the amount of income that was once generated by fixed-income assets such as bank deposits, GICs and bonds.

The effect of those changes can already be seen in the lives of people like Barbara Kirkpatrick, 66, of Vancouver. Partly because of lower interest rates, her modest government and private pensions and manager income from savings pay only \$2,000 a month, and she is forced to take \$400 a month out of her savings to put towards her rent. The stress has taken a toll. "I wake up at night in a panic about money," says Kirkpatrick. "I think about it all the time."

The baby boomers' children will have to be especially careful in planning their retirements. Many will not have a private pension plan to fall back on, and, according to the Meridian/Marketing Solutions poll, the majority do not believe the CPP will be there to support them. As a result, there is a growing awareness among young people that they must take steps now to generate future income. "They are the most vulnerable," says Morley. "They could lose their retirement by looking up on consumer debt and government deficit saving."

The implication for most people is clear: they must cut back on spending now and invest that money for the future. Armstrong, for one, advises clients to have money deducted directly off their paycheques and funnelled into a tax-sheltered vehicle such as an RRSP-eligible mutual fund. Once they take that step, he compares his clients' savings and investments to the lifestyles they hope to enjoy



in retirement. If there is a gap, he helps them devise a strategy to bridge the shortfall—which may mean working more, working for more years, seeking a higher return on their investments or lowering their expectations for retirement. Above all else, Armstrong says, starting a savings program is the key to living well as a senior citizen. "The monthly pay deduction is very powerful over 15 years," he says. "It is simple, but it works."

Regina dentist Ray Myers, 41, started planning for his retirement almost from the day he graduated from dental school at the University of Saskatchewan in 1984. His goal: stop work at age 55 with his house paid off and almost \$1.5 million in savings. He and his wife, Dore, 41, his office manager, deposit \$51,000 a year into their RRSPs, which are invested in a mix of stocks and bonds. For good measure,

another \$1,000 a month goes into a mutual fund held outside of his RRSP. Myers constantly monitors his portfolio to make sure he is on track to reach his target. "We should have the same lifestyle as we do now as we have now," says Myers, "or a better one."

Doreen Desjardins, 53, is equally intent on enjoying her retirement. A fixed-income strategist for a major Toronto brokerage, she has her entire investment strategy on her belief that the CPP will not be there to bail her pension out when they reach old age. She comes from a family of savers and contributes the maximum amount to her RRSP annually even if she has to borrow from the bank to do so. Desjardins and her husband, Stephen, who have a 16-year-old daughter, also forgo expensive vacations and rarely eat out. By sacrificing now, they say they are buying peace of mind in retirement. Adds Desjardins: "I'd rather do without other stuff just to have peace of mind about the future."

For Desjardins and millions of other investors, today's booming stock market has been a godsend—generating an average 17-per-cent annual return so far in the 1990s. Statistically, however, the market has averaged no more than about 10 per cent a year, which suggests that sooner or later the current bull market will be offset by some loss—if not downright nasty—years for stocks. "Traditionally, equities have outperformed every other asset class," says Kopach. "But people have to give themselves enough time to weather drops in the market."

How closely have you calculated the amount you will need to live on when you retire?



As even bigger consumer constraints people in their 40s and 50s who are only now beginning to save. To have any hope of retiring in style, they will have to survive for high returns on their investments—which means taking more risks than those who started investing earlier. The problem is especially acute for those who hope to retire before they turn 65. Most company pension plans reduce the amount paid out to recipients by about 50 per cent annually for each year of early retirement. A person leaving work five years ahead of schedule would be left up to 30 per cent of his or her pension, and that shortfall would have to be made up by pumping money into high-risk, high-yield investments such as mutual funds that speculate in small stocks and emerging markets. "If a person is 45 and they want to retire at 55, guaranteed instruments won't do it," says Kopach. "They have to go to equities. If they don't, they may have to retire at age 70."

That applies to a lot of Canadians. Even among households in which the main income earner is between 35 and 44, fully 46 per cent have less than \$50,000 in investments (excluding the equity in their homes), according to Marketing Solutions. Only 17 per cent are sitting on a nest egg worth more than \$250,000, while 25 per cent have accumulated between \$50,000 and \$250,000. "When you compare those figures with what people need to have, there are some pretty huge gaps," Richards says. Her own rule of thumb is that a couple retiring a combined \$80,000 a year would require a post-retirement income of about \$60,000 in today's dollars to maintain their present lifestyle. To generate that level of income, they would need to put away about \$60,000 by the time they leave the workforce.

That, of course, is only a very rough estimate. All sorts of factors make retirement planning at best an inexact science. For one thing, people are living longer now than ever before: many financial planners based their calculations on the assumption that people currently in their 30s will live to be 90. At the same time, health-care costs are rising faster than inflation—and further obstacles to public services could add substantially to the financial burden of tomorrow's elderly. Realistically, says Morley, "you may have to expect to keep working for a longer period of time. That solves a lot of financial problems." Perhaps, but working longer is not the retirement of most Canadians' dreams.

With JULIE GAZDIN and MARY JUNGMAN in Toronto

In your opinion, how much will you need to save, excluding money invested in your home, to maintain your current lifestyle after retirement?



Making the Middle Class Pay

Ottawa's plan to revamp old age benefits raises serious issues of fairness

BY MARY JANIGAN

Barely five feet tall, firmly "over 65," Lilian Margenbass can throw a political punch that would bring most politicians to their knees. So when the president of the 315,000-member Canadian Association of Retired Persons complained that the proposed federal Seniors Benefit would penalize higher-income Canadians who are saving for retirement, Finance Minister Paul Martin hurried to appease her. Earlier this month, the minister, 70, asked his special adviser on pensions, his parliamentary secretary and three very senior bureaucrats trooped into CAARP's headquarters on the 10th floor of a Toronto office tower, brandishing pockets of charts and factlets, issuing intently and scribbling notes. The irony was one of at least 30 visits that Martin has made to various organizations across Canada over the past two months in an attempt to quell objections to the proposed benefits before it is debated in Parliament. Margenbass' appreciation of the gesture has remained dubious. "Mr. Martin told us that he was not going to do things to seniors, he was going to do things for seniors," she says. "But we want a transitional stage to the new benefit of at least 15 years."

Just kilometers to the north, in an uptown office tower, 59-year-old David Crofton is pondering just how much more he can stand before he applies for a U.S. work permit. As a high-income advertising creative director, he knows he will likely never receive the new Seniors Benefit because it is intended for low-income Canadians. He also knows his Canada Pension Plan premium will rise in stages to a whopping 9.9 per cent of assessable earnings by 2005. And he knows that Ottawa has even changed a limit—\$13,500 per year until 2003—on what he can save for himself in tax-free registered retirement plans.

Perhaps worse of all, Crofton knows that few younger Canadians are paying attention to such matters, so the finance minister will never try to placate him. "My mother thinks that the country should take care of her, that she's worked all of those years and it's her turn to get taken care of," he says. "She's fantastic as that nation is, I don't feel that it's really appropriate, a lot more, I know we have to take care of them. But I am paying so much tax that I resent my country. The government just uses our generation."

The gulf between Margenbass and Crofton offers a glimpse of the divisive debate about when Ottawa introduces two bills that will: one to revamp the CPP and the other to transform its old age pension into the Seniors Benefit for anyone who has not turned 65



before Jan. 1, 2003. Despite Martin's best efforts to downplay the impact of those changes—Martin's tax has learned that he will likely phase in key benefit provisions—the changes are destined to provoke a wrenching and hot debate. The issues of fairness are profound. To what extent should the young be taxed to fund the retirement of the old? How much should middle-income Canadians transfer to low-income Canadians? Should today's seniors remain almost totally insulated from the sweeping revisions that Ottawa says are necessary to save public pension benefits?

Granted, actuarial reports are merely the stuff of parliamentary dronism. But buried within Martin's plan are several highly incendiary notions. For starters, the CPP would require younger workers to pour more money into a plan that will provide lower returns than they could get from any private retirement savings plan—a nearly two per cent per year inflation. As Mike Maguire, a 22-year-old account manager at a branch of the CIBC in St. John's, Nfld., scathingly remarks: "Given the uncertainty that's there, I'd rather have that money to invest myself. It would be great if there was that option."

In an even more contentious move, Ottawa is quietly preparing

to gut the existing old age pension. The Seniors Benefit would convert that half-century program into an income support system paying a maximum benefit of \$11,629 per individual and \$18,640 per couple. It would be tax-free for seniors with no other income. The poorest recipients would receive an extra \$120 per year. Seventy-five per cent of all seniors in 2001 would be the worst or better off, also out of 10-share women would be better off. But the flip side is that Ottawa would not back the Seniors Benefit from many letter-of-recipients, with a complicated formula that takes into account all household income.

The Old Age Security and the Guaranteed Income Supplement—the two main components of the existing old age pension—constitute more than one-fifth of all federal program spending, or about \$22 billion this year. That is a lot of money to get rid of, because the number of Canadians over age 65 will soar to almost nine million in 2020 from 5.7 million now. To cut expenses, the proposed Seniors Benefit would impose a special levy that, combined with regular income taxes, would claw back benefits at rates ranging from about 45 per cent to more than 70 per cent, but each dollar of household income over \$25,921. As a result, projected pension costs will be 19.7 per cent lower in 2020 than would have been the case under the old system. "They want to give the same or more money to 75 per cent of seniors, but they want to save 19 per cent of the cost, so you can see that the numbers hardly win at all and the losses have to be big," says Malcolm Hamilton, a personal services manager with Mercer Ltd. in Toronto. "In effect, they are converting the old age pension into a type of welfare program. But here the issue is not giving them the right to have to start clawing them back, but going right into the heart of the middle class."

Already, the proposals have provoked intense debate in corporate and labor circles over the impact of a new tax that would require middle-income taxpayers to contribute more to the pension system than they would when they retire. In 2005, when the first baby boomers turn 65, there will be almost six million seniors, or 14 per cent of the population, up from 12 per cent in 2005. In 2020, when the pressure on the public pension system peaks, there will be only three workers for every senior compared with the current five.

The proposals also raise questions about the amount of money that Ottawa can extract from middle-class taxpayers when, at the same time, it is cutting their future retirement benefits. No doubt leaving a political backlash, federal officials are reluctant to discuss those ramifications. But at the request of Jennifer A. Davis, Black, a retired former chairman of the Economic Council of Canada,



made some rough calculations. They show that in 2040, well before the boomers start to turn 65, at least 700,000 seniors—about one-quarter of those who will be eligible for the Seniors Benefit—will receive no net benefit because of the clawback. An other 400,000 will be worse off than they would have been under the current system. "Politically, federal politicians bragged the idea that if they took care of the lowest end of the spectrum, they could harness the middle- and upper-middle class," says Slater. "It's which way response, as who do you think is going to the top?"

To be sure, the changes are welcome news for those who can get save for their own retirement and who may have feared that Ottawa would slash every pension across the board, to save money. That group includes considerably more women than men, and those women are more likely to be living alone. Reason: females live longer than men, average wages are and less likely to recovery as they grow older. "It's going to be a real bummer," laments 54-year-old Jane Stuchetta, executive secretary for an Italian-Canadian charitable group in Toronto. With an annual salary of

der \$40,000 and only 13 years of contributions to RRSPs, the divorced Stuchetta fears she will spend her old age "prize punching" because her employer has no private pension plan. "I have to eat I have to put a lot more on my mind," she says. "I'll never be able to put away enough to continue living the way I am now."

In fact, Ottawa's decision to preserve lower-income benefits means that her worst fears will probably not be realized. She will have some income from RRSPs. As things stand, she would also receive the Seniors Benefit of \$11,629 plus the CPP of \$8,843—both of which are adjusted to inflation.

That much security comes at a price. The implications of Ottawa's proposed changes coupled with its increase on contribution limits to RRSPs and company pension plans, are so onerous that so many even even pretend to understand the full effect. But some trends, at least, are clear. Because household income of more than \$25,921 would be taxed back at steep rates, critics argue that that it would no longer be worthwhile for low- and middle-

How confident are you that the CPP will be around when you retire?



Very confident
Somewhat confident
Not very confident
Not at all confident

income families to save for their retirement. Slater calculates that working couples with retirement income of more than \$40,000, including old age benefits, will be worse off under the new system. It cites the hypothetical example of a retired couple receiving \$28,000 a year plus the Seniors Benefit. They would pay about 25 per cent in federal and provincial taxes and 20 per cent for the clawback, for a marginal rate of at least 45 per cent on each dollar of income. "The problem" that has bite is far greater than the tax break they would have received for contributions to their RRSPs before retirement. And unless the money was in the RRSP for a lengthy period, the more it would already exceed the amount that would have accumulated tax-free. "To put it mildly," Slater says, "the incentives for saving by such people would be weak."

Among those who defend Ottawa's approach is Ken Bartle, president of the Ottawa-based Caledon Institute of Social Policy. He argues that the clawback will only discourage some in their early 60s—because the money they put into RRSPs may not earn enough before interest to counter the clawback's effects. Bartle himself suggested the basic outline of the Seniors Benefit in a 1993 policy paper, although his proposed clawback rate was 12½ instead of 20 per cent. He has urged the government to lower the rate, but insists that "the intention is that this will rebalance the pension system is obvious."

Few analysts share that view, however. Most predict that when middle-income Canadians realize what is happening, they will abandon efforts to save for their old age and use the money instead to reduce their mortgages or pay cash for things they will use once they stop work, such as retirement accommodation. "It's getting pretty questionable if people with below-average income should do very much saving," says Bartle. "The government may be able to threaten and track accumulation of moderate-income people into saving, but in the long run I'd rather see a system where people who didn't give us financially rewarded."

The changes may also have profound implications for future labor negotiations. Company pension plans typically assume that recipients will receive Old Age Security. The Seniors Benefit throws that assumption out the window. In fact, because the benefit is based on *accumulated* income on retirement, it becomes almost impossible to even do the calculations. "Maybe we should just pretend that the Seniors Benefit doesn't exist and try to get more money out of the workplace pension," says researcher Bob Baldwin of the Canadian Labour Congress. For employers, already facing steep increases in CPP contributions, such talk evokes chills. "It will become increasingly difficult for Canadian-based companies



How much should the young be taxed to support the old?

men to hire and retain highly skilled employees," says Timothy Reid, president of the Canadian Chamber of Commerce. "The Seniors Benefit breaks riders that this nation has always held dear. It spells out demands to work and to save."

Given these objections, Martin is unlikely to be able to stick to his pension reform through Parliament with his customary resolve. Despite his track to reassure seniors' groups, many remain unconvinced—if only because they have members who will be less than 65 in 2001 and who could suffer sizable reductions in benefits. Macleod has learned that the impact is causing a glimmer of the clawback over three to five years to modify those groups. But that, in turn, may provoke charges of opportunism. A coalition of 20 diverse, high-powered groups, ranging from the Canadian Federation of Independent Businesses to the Canada Air Association, is demanding that Ottawa clarify the impact of its proposals before it proceeds. The opposition Reform party, meanwhile, has declared war: "We will fight this tooth and nail," says Reform pension critic Diane Ablonczy. "It has negative effects on economic growth, on investment and on capital formation."

If Canadians have so far heard little about these measures, it is partly because the proposed adjustments to old age pensions, the CPP and private pension plans were introduced separately, buried under other announcements and critiqued according to the recommendations of taxpayer-funded panels and focus groups conducted by Bernfield's Strategic Group Inc., an Ottawa-based consulting firm. In those reports, the political message is clear: Ottawa should exempt current seniors and non-seniors because they firmly believe that they have fully paid for their pensions. Bernfield also urged the labor side to fix the CPP as fast as possible to create a "massive majority" wants to keep it. The reports added that small increases in old age pensions for low-income seniors bring big political rewards, and that pension changes should be sold as measures to preserve the system for future generations and not to cut costs.

In retirement, Martin has followed that advice to the letter. By March, 1996, he even paid a visit to Solange Denis, the elderly woman who angrily confronted



How concerned are you that you will not have enough money to retire?



former prime minister Brian Mulroney in 1985 over a planned change to old age security benefits. Denis gave her blessing to the plan. The resulting lack of public outcry to date, Martin's has learned, prompted British Prime Minister Tony Blair to ask Martin for advice on how to sell pension reform when the two met at the annual Group of Seven economic summit in Denver in June.

Obviously, though, even Martin's political skills may not be enough to counter his critics' fear and suspicion. "My political instincts were that this is going to be difficult for him," says John Wright, senior vice-president of Angus Reid Group Inc. "At the end of the day, he must explain what the future will look like so people can put their own plans in place. If he is confusing, satisfactorily else who disagrees may define the issue."

To Ottawa, the beauty of its pension proposals is that they promise to reduce the burden of retirement payments gradually and steadily. Over time, the number of Canadians who collect the richer Old Age Security benefits will diminish. And because the new system takes account of household income, it imposes a much larger clawback, the new Seniors Benefit will cost far less than the programs it replaces. By 2005, 70 per cent of 70-year-old female seniors will have held a job—about double the proportion today—and will therefore qualify for CPP and company company sponsored pensions. As well, many of today's workers are starting money

in RRSPs, an estimated \$6.5 billion this year alone. Taken together, those trends mean that more and more households will receive nothing from Ottawa.

Perhaps that is as it should be. To date, however, no federal politician has come out and said publicly what the Seniors Benefit implicitly states: that middle-income Canadians should no longer count on old age pensions to help them through their golden years. What's more, largely for reasons of political expediency, the government has chosen to spare today's seniors from the brunt of its reforms. The unspoken reality is that seniors have fared far better than the rest of the population throughout the 1980s and 1990s. Adjusted for inflation, the average income of people aged 65 and over was 18 per cent higher in 1994 than in 1981—while those aged 25 to 64 received almost no increase. And although one in five seniors was technically below the low-income threshold in 1994, even Statistics Canada notes that such numbers are probably misleading because they ignore seniors' other income: they generally pay less income tax, they own their own homes and receive assistance with everything from drugs to property taxes.

Whatever happens, the coming decade, at most certainly will not be pleasant. Pension reform always pits generations and income groups against one another. In that round, the Liberals will face charges that charges depicted as generational reform are in fact middle-income tax grabs. They will also be called upon to explain the combined effects of the Seniors Benefit, the CPP overhaul and freer retirement plan contributions. And they must somehow convince taxpayers that this is all for their own good.

With JULIE CAZEN at Toronto

THE CHANGES

CANADA PENSION PLAN

Proposed: Ottawa's new Canada Pension Plan legislation, which must pass before Jan. 1, 1998, is intended to raise contribution rates from the current 5.85 per cent of maximum insurable earnings of \$25,800 to 9.9 per cent in 2003—with the result that annual employer premiums would jump from \$246 to \$1,635. (Self-employed workers would pay double that amount for what is now a maximum monthly pension of \$736.81.)

Problems: Critics point out that workers under 35 will see pitifully small returns on their contributions, for less than they would likely receive from any private pension fund. And while current CPP recipients will not be affected, future benefits will be lower after allowing for inflation.

SENIORS BENEFIT

Proposed: The proposed Seniors Benefit would replace the Old Age Security, the Guaranteed Income Supplement, the age credit and the pension income credit. The most important of those, Old Age Security, technically stopped being a universal social program in 1969 when it imposed a clawback on high-income taxpayers. But the Seniors Benefit removes all pretence that the program is anything except an income-support mechanism. The poorest recipients will be paid an amount equal to that available under the existing system, plus an extra \$120 per year. But a 20-per-cent clawback, on top of personal income taxes, will apply to much dollar of household income over \$25,921—for an effective tax rate of 45 per cent to more than 70 per cent.

Problems: Millions of middle-income Canadians will eventually be worse off under the new system. With tax rates as high as 70 per cent, individuals will lose the full amount of the benefit when their annual income exceeds \$52,000. Couples will receive no help if their household income exceeds \$18,000. By contrast, the current 15-per-cent clawback only begins to kick in when individual income exceeds \$31,215. Moreover, with the Seniors Benefit, even the portion that is clawed back is subject to income taxes.

Pricking federal pension cheques: security at a price

More Risk, Higher Rewards?

The new look of company pensions

BY SARAH SCOTT

After 16 years in the mid room of one of Canada's pulp-and-paper giants, Angelo Strumac is, like most people with a mortgage and two young children, still struggling to pay his bills. But Strumac, a 35-year-old shipping and purchasing supervisor, has always hoped that one day he would enjoy the traditional reward for company loyalty—a secure retirement. Until recently, he rarely gave much thought to his pension; his employer shouldered the responsibility for his benefits and presented a comfortable monthly cheque after he retired. But on Jan. 1, 1996 Strumac and 500 other employees at Abbots-Price Inc. in Toronto (now part of Abitibi-Consolidated Inc.) joined a growing trend in the retirement planning business. They took charge of their own pensions, and their futures, by signing up for a so-called defined-contribution pension plan that invests in a mix of stocks, bonds and other securities.

For Strumac, who had never bought a stock or a bond before in his life, it seems switching over a personal retirement fund now worth more than \$300,000. He's off to a good start. The quarterly reports he receives from the fund's trustee show that its value has increased by \$60,000, or more, than 20 per cent, in the past 18 months, thanks mainly to a buoyant stock market. But along with his new responsibilities comes an unsettling question for Strumac, the father of a four-year-old boy and a seven-year-old girl. "What market crashes," he asks, "do I lose my pension?"

Well, maybe. Under the terms of his new pension plan, Strumac and his employer both contribute to the fund, but he alone is responsible for the fund's performance. In future, he will reap the rewards or suffer the consequences of the investment decisions he has made. It is a far cry from Abbots's old defined-benefit plan, which guaranteed members a monthly retirement benefit based on their salaries and years of service. That traditional plan reflected a business enterprise culture that rewarded company loyalty and long-term service. "The old defined-benefit plans were to bring employees, 'Don't worry, we'll look after you. Stay with us and we'll give you a pension at 65,'" says Howard Lyman, a principal at William M. Mercer Ltd., Canada's largest pension consulting firm. "Now the message is, you're responsible for yourself."



PHOTO COURTESY OF THE STOCK EXCHANGE OF TORONTO



Currently, so-called defined-contribution pensions cover only a minority of the labor force. In 1996 an estimated 540,000 Canadians—30.5 per cent of those who were covered by employer pensions—belonged to defined-contribution plans, compared with 325,320, or seven per cent, a decade earlier. An overwhelming 88 per cent of Canadians in company pensions enjoy the security of traditional defined-benefit plans—offering the promise of choice for laid-off workers in the public sector and Canada's biggest companies. (Those Statistics Canada figures do not count employees who have no company pension plan—more than half of the country's paid workers.)

But while the pace of change is gradual, industry experts see defined-contribution plans as the wave of the future. Already, they represent the fastest-growing portion of the \$200-billion company pension market. A 1996 survey of more than 100 raters and large companies by the Financial Executives Institute Canada showed that 15 per cent had introduced defined-contribution plans in the previous five years, while another 20 per cent were thinking about it. Midco Brown, Brown-Pickard (Canada) Ltd. and MacMillan-Bloedel Ltd. are among those that have introduced them, while giving existing employees the option of staying with the old plan. Companies that are setting up pension plans for the first time inevitably also offer defined-benefit schemes for the newer defined-contribution plans or group RRSPs, which are similar but not subject to pension standards regulation. "All the new plans are defined-contribution," says Robert Brown, a professor of actuarial science at Ontario's University of Waterloo.

"We haven't had a new defined-benefit plan in a long, long time." A variety of factors are driving the trend. One of the most important is a desire on the part of com-

What will be your biggest source of retirement income?

RRSP savings	40%
Company pension	30
Savings outside RRSP	11
Sale of home	7
Canada Pension Plan	6
Inheritance	5
Land/business/property	2
Other	2

panies to reduce their exposure if the current booming stock market goes bust. Under a defined-benefit plan companies are legally obligated to pay benefits in return regardless of how well or how poorly their pension plans perform. In the early 1980s, hundreds of large companies—including Ford, Chrysler and General Motors—were facing huge shortfalls in their retirement funds, which forced them to increase cash contributions over the following five to 15 years. Happily, the dramatic increases in stock prices since then—over the past five years, the Toronto

Stock Exchange 300 index has risen 92 per cent—has transformed most of those deficits into comfortable surpluses. Almost the converse of this, says plan trustees, is that many pension managers have used the extra money to give companies or their employees a temporary break from contributions.

Still, the fear of a stock market collapse remains palpable, and many corporations are moving towards defined-contribution plans to remove any staff of uncertainty from their pension systems. As Brown puts it, the new approach is based on employees' "hand just above the risk over to the individual worker."

Despite the details, the trend toward defined-contribution plans is undeniably beneficial for some workers—particularly those who expect to change jobs several times in their working lives. Traditional pension plans rewarded loyalty. If long employees but penalized mid-career job switchers because on-time valuable benefits, such as early retirement and cost-of-living provisions, only kicked in at age 65. In deed, employees who take early retirement often felt that those limitations could reduce the value of their pension funds by tens of thousands of dollars. "It means you leave a whole bunch of money on the table you never knew you had," says Malcolm Harrell, a pension specialist at William M. Mercer.

One example is a 30-year-old clerk who lost her job at Abbots-Price in 1995, when her salary was

New York looking floor, an element of superiority

\$33,000. After belonging to the company pension plan for nearly 15 years, she had built up a retirement fund worth only \$22,331, of which \$17,449 consisted of her own contributions. Had she stayed until age 65, she would have left the company with about \$38,000. But at age 55, her payout would have jumped to \$133,538. While the defined benefit system rewards loyalty, it is "dead wrong" for people who retire involuntarily, Hamilton says. It means "you're out on the street with half your retirement savings gone." He adds that the typical defined benefit plan replaces 60 per cent of earnings for a 35-year employee, while a pension whose career is divided among three companies can expect only about 30 per cent.

That difference recently hit home for workers at Albita Price in Toronto. In May the company merged with rival Stone Consolidated Corp. to form Albita Consolidated Inc., with its headquarters in Montreal. Many of the employees at the former Toronto head office are giving up their jobs over the coming year because they do not want to uproot their families. Dave Eldridge, Albita's 54-year-old director of personnel services, calculated he would have lost \$70,000 had he stayed in the old defined-benefit plan and been forced to cash out a few years short of the age-55 threshold. "I've never regretted making the decision to switch," he says.

In a sense, opting for a defined-contribution plan can mean trading an employment risk for an investment risk. "The risk is the day before you retire, the market crashes," says Lyons. That prospect is one reason unions prefer the old-fashioned defined-benefit plans, says Mike Mazzuca, a lawyer whose firm represented former employees of F. Eaton Co. Ltd. in a recent dispute over pensions. "Defined benefit plans are a much more secure form of retirement," Mazzuca says. "The risk is with the employee, who has a better ability to absorb it."

Another frequently cited problem with defined-contribution plans is that the responsibility for investment decisions rests with individual employees, who may or may not have the necessary knowledge and experience. Typical employees who sign up for such a plan are asked to choose from four or more investment options of varying risk and return—from low-risk, low-return GICs to higher risk but potentially more profitable stock funds with a large proportion of assets invested offshore. The risk, however, is that so many employees who misunderstand the markets could make disastrous mistakes with their retirement savings. Just how little most people know about the fundamentals of investing was borne from the results of a survey conducted last year by Marketing Solutions, a Toronto-based financial services consulting firm. Of 1,000 investment decision makers in households with at least \$10,000 in savings, only 36 per cent knew the answer to the question: "What happens to the value of a bond fund if interest rates go up?" (It falls.)

Yet, faced with the daunting responsibility of managing their pension savings, many Canadians are actually too cautious. They invest in low-risk, low return treasury bills and guaranteed investment certificates, which over the long term are unlikely to provide enough money for a comfortable retirement, says independent labor relations consultant John O'Grady. Susan Segall, vice-president of Temark Investment Management Inc., knows of one company where three-quarters of the employees had invested their retirement savings in low-interest GICs. After they were told that such investments might not help them build an adequate nest egg,

only one to two per cent decided to keep their money in GICs, says Segall, whose company runs defined-contribution plans for more than 100 Canadian firms.

Educating employees has become a key point in the crux of many defined-contribution pension business, although not all companies do it. At Albita-Price, management knew that many employees knew nothing about financial markets, so the company's pension experts, along with consultants from Mercer and Toronto-based investment management firm Interim Capital, tried to teach plan members the basics of balancing risk and return. Employees were given detailed financial statements comparing the performance of the defined benefit plan and the proposed defined-contribution plan under different scenarios. Training seminars, videos and one-on-one counselling helped individuals choose the option that best fit their needs. Later, most of Albita's customers, Seneca, chose a diversified fund that balances higher- and lower-risk investments. "Stocks and bonds are not my thing," he said. "I just wanted to play it safe."

The increasing demand for employee education is rapidly transforming the pension business, says Dan Richards, president of Marketing Solutions. In the past, investment consultants dealt with a handful of senior executives at their clients' firms to discuss the performance of the company pension fund—while individual employees were left in the dark. But when employees are the clients, it is critical for pension providers to communicate openly and effectively. As a result, it is now standard practice to offer seminars, videos, one-on-one advice, a toll-free telephone support system and an Internet home page. This questionnaire from clients is often disarmingly simple: "What is a stock?" Is it possible to borrow from the fund? (No.) Are the returns from equity funds guaranteed? (No.) "The whole idea is to get people comfortable about looking at the long term," says Joanne Brown, an account manager at the Mutual Group, one of the country's leading providers of defined-contribution plans. Lately, she has been advising clients to scale down their expectations of growth at this point in the cycle and against the day-to-day gyrations of the market. "Our goal is to teach employees about time in the market instead of timing the market," she says.

Most pension experts agree that the defined-contribution business can only grow in the future. If current trends continue, Hamilton predicts that only the public service and big corporations with strong unions will keep traditional defined-benefit plans. Everywhere else, company pension plans will ensure that employees shoulder the risk and enjoy the rewards of investing for their own retirements.

There is, however, one thing that could interrupt this trend, says Hamilton: a stock market slump. "Investment risk is significant. The day will come when a new generation learns that," he adds. Nevertheless, Hamilton favors defined-contribution plans, in large part because they allow employees to control the level of risk and potentially earn higher returns.

For Seneca, at least, it was a good choice. He is among more than 100 employees who will be leaving Albita-Consolidated over the next few months rather than move to Montreal. He will likely leave the company with several thousand dollars more in his pension fund than he would have had under the old plan. Yet Seneca is typically cautious: "I could come out a little more ahead—as long as the stock market doesn't crash." ☐



Eldridge: no regrets about switching

Workers worry that the day they retire, the market will drop

BACK THEN we talked about all we would do,

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Like friendship, crafted with care.



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and start taking sabbaticals.

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REICHMANN TAKES BID

Paul Reichman joined the bidding for New York City's landmark Chrysler Building. The Canadian developer—who helped build one of the world's largest real estate empires only to see it collapse in 1982—is competing against as many as 20 other groups. Built in 1930, the 77-story Art Deco office tower is expected to fetch more than \$200 million.

B.C. LUMBER RULES

The B.C. government will require forest companies to reduce their exports and channel more timber to provincial manufacturers of doors, furniture, log homes and other products. The initiative is aimed at creating about 6,000 jobs over the next four years.

BAY SHARES SET ADRIFT

Media mogul Ken Thomson sold his family's 21 per cent stake in Hudson's Bay Co. for \$487 million. The company, which owned 48 per cent of the Bay as recently as 1993, is gradually unloading its real estate and investing assets to focus on publishing and travel.

DISAPPEARING DEFICIT

For the third month running, Ottawa posted a budgetary surplus in July. The combined surplus in the first four months of the 1997-1998 fiscal year: April to July was \$300 million compared with a \$6.6-billion deficit a year earlier. The turnaround is due mainly to higher tax revenues and lower spending.

BRE-X LEGAL FEES

Lawyers representing investors in Bre-X Minerals Ltd. went to court to stop the Calgary-based company from paying its directors' legal fees. Court documents show that seven directors, including chairman David Wells and former vice-chairman John Fendeshed, have each been paid \$140,000 from a \$7-million offshore trust fund.

ALAMIRA REPRIMANDED

The Ontario Securities Commission reprimanded Toronto-based Alamira Management Ltd. for trading practices involving a sister company, and ordered the mutual fund giant to pay the province \$75,000. The OSC declared, however, that Alamira did not conspire to boost the price of Dorset Exploration Ltd. in 1995 and 1996, when it accounted for more than half the trading volume in the stock.

Nickel megaproject on hold

Inco Ltd. said an environmental review of its giant Vasey's Bay nickel find in Labrador will delay production for at least a year, throwing the megaproject's future into question. "The time has just slipped by," said spokesman David Allen. "We are now reassessing the project." Native groups have appealed a July court decision that allowed Inco to bypass an environmental review in the construction of a road and airstrip.

But some analysts say the company is more concerned about a potential glut in the nickel market than about delays caused by the environmental review. Inco announced plans last week to develop its huge Goro nickel deposit on the island of New Caledonia in the South Pacific, and rival firms are rushing to develop nickel finds in Australia and Asia. "If we are unable to bring on Vasey's Bay



Native protesters of Vasey's Bay Inco may now look elsewhere

as quickly as we had hoped, then we have to look elsewhere," said Allen. Newfoundland Premier Brian Tobin, who is relying on Vasey's Bay to boost the province's economy, said all sides must work to ensure the project moves ahead in a timely and responsible fashion.

Accounting's colossus

Pricewaterhouse and Coopers & Lybrand announced plans to merge, creating the world's largest accounting firm. Based in New York City, the new operation will have combined billings of \$13 billion, and 135,000 employees, including 5,000 in Canada. The two firms said they will focus on building their high-profit management consulting services. Accounting now generates only 50 per cent of

revenues, down from 70 per cent in the 1980s.

The colossus that emerges from the deal will surpass Andersen Worldwide as the global leader in accounting, reducing the industry's Big Six to the Big Five. As recently as 1980, there were eight large accounting firms. The heads of the companies' Canadian arms predicted the merger will not result in layoffs in this country. In fact, said Tony O'Neill, Canadian chairman for Pricewaterhouse, "we anticipate job growth in the combined firm between now and year-end."

FINANCIAL OUTLOOK

In his strongest statement on the subject this year, Bank of Canada governor Gordon Thiessen warned his is prepared to raise interest rates aggressively to ward off inflation. In August, inflation stood at 1.8 per cent for the third month in a row. But Thiessen's hawkish comments convinced analysts that a rate rise could come at any time.

Thiessen's fear is that the economy is growing so quickly that wage and price pressures may be difficult to contain. Retail sales were eight per cent higher in July than a year earlier. And the ac-

counting firm KPMG predicts workers will receive raises averaging 3.3 per cent in 1998.

"Executive salaries are up an average of 2.6 per cent this

PAY RAISES

Average increase in Canadian firms salaries



SOURCE: CIBC

year, it's an indication that there is a tremendous demand for leadership talent, because companies are paying higher salaries to attract and keep top performers."

—KPMG

"Short-term interest rates will be headed higher to prevent any renewed buildup in expectations."

—Scotiabank

"Almost 400,000 net new jobs will be created this year, and we expect another 300,000 in both 1998 and 1999."

—TD Bank

Imagine if global travel were truly efficient. If you could go anywhere in the world smoothly. Efficiently. Effortlessly. Imagine if you could apply the mileage points from qualified flights of six different airlines toward your overall flyer status. (How quickly do you suppose you would attain elite status then?) Imagine more than 180 airport lounges around the world awaiting International First and Business Class customers, as well as top-tier frequent flyers. And if it's not too much, we ask you to imagine the alliance between Air Canada, Lufthansa, SAS, THAI and United Airlines getting even stronger. The Star Alliance™ partners are proud to welcome Varig*, Brazil's premier airline, to our network; and in doing so, we announce worldwide access to more than six hundred destinations in 108 countries. Welcome to a better way to travel the world. Welcome to the Star Alliance network. Welcome to what happens when you imagine.

Imagine.



STAR ALLIANCE

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*Varig will officially be a part of the Star Alliance network beginning October 26, 1995.

A bull market in stock fraud

Who knows what darkness lurks in the hearts of stockbrokers? Glen Harloff, a former RCMP commercial crimes investigator, can't say for sure. But with the bull market in full charge, he warns investors to take extra precautions against fraud in their portfolios. "The potential is there," says Harloff, now vice-president of forensic investigations for the accounting firm of Price Waterhouse. "There's so much trading going on now and there are so many people investing, that you just have to be a little more diligent."

The most common examples of fraud include broker theft from a client's open portfolio, unauthorized borrowing, and engaging in unauthorized buys and sells to generate commissions. Investors can guard against such hazards by closely scrutinizing their transaction records each month. "If people monitor their statements, it can be identified very quickly and you get to the source of the problem," says Harloff.

Most mutual fund investors, he adds, are less vulnerable to fraud because they tend to trade less frequently than stock purchasers and keep their holdings longer. Stock investors who do fall victim to fraud may be covered by the brokerage firm's insurance. If the firm itself becomes insolvent, clients are safeguarded by the Canadian In-



The multiplier effect

Kevin McGuire's business professor guest in Annapolis. Now the president and CEO of Personal, Out-based Veritas Technologies Inc., he hopes consumers will approve of Financial Tools, a personal finance software package that he developed as part of his MBA studies a year ago at the University of Ontario. "People were doing projects that seemed so academic," says McGuire, a former vice president at software giant Corel Corp. "It wasn't until we saw how it could do something that would pay off."

Distributed on CD-ROM in computer stores and available for downloading over the Internet (at www.veritas.com), the \$29.95 product offers a comprehensive collection of calculators for everything from mortgages to bonds to real rates of return. It also includes an in-

vestment glossary, tips on money management and basic-to-advanced tips on the World Wide Web. A retirement planning model assists in making long-term projections, and easy-to-understand worksheets guide users through every function. "We've tried to make it an intuitive a product as we can," says McGuire, 32. "You don't have to have a lot of computer knowledge and you don't have to have a lot of financial knowledge."

Similar calculators are available at some Web sites, but most are slow, complicated or difficult to access during peak periods of Internet use. Financial Tools, designed for IBM-compatible PCs running Windows 95 or NT, offers everything in one package. "The whole idea was to empower average people to take control of their own finances," McGuire says. "That would make his old professor proud."

FORECAST: TAXES: Long-awaited federal tax relief could be on store for Canadians as early as 1999, says the Toronto Dominion Bank. By that time, Ottawa will have eliminated its budget deficit and will be ready to cut personal income taxes, the bank predicts. Some provincial governments are not waiting: British Columbia, Saskatchewan, Ontario, Quebec, New Brunswick and Nova Scotia have all reduced their personal income tax rates this year.

Money Talks

Getting ready for RRIFs

An estimated \$90,000 Canadians will have to convert their RRSPs into registered retirement income funds, or RRIFs, by Dec. 31. That's because of

Ontario's decision to lower the age limit for RRSPs from 71 to 69. Financial planning experts are rushing to catch up as the upcoming interest in RRIFs. Everything You Always Wanted to Know About RRIFs But Were Too Shy to Ask, published by ITP Nelson, is one of the most concise guides to the subject. This 115-page book, by retirement planning adviser David Laffer, covers such topics as RRIFs, annuities and estate planning.

Premium prices

Drivers who use their cars for business pay more than twice as much for insurance in Toronto and Montreal than their counterparts in Regina or Charlottetown. A study by RBC Dominion Canada Inc. found that Regina boasts the lowest rates, at \$774 a year, while Toronto's are highest at \$1,794. The figures are based on a 1997 Ford Taurus sedan with \$1 million liability coverage, as well as comprehensive and collision insurance.

Annual insurance costs for business drivers

Toronto, Ont.	\$1,794
Ottawa, Ont.	\$2,464
Winnipeg, Man.	\$1,421
Montreal, Que.	\$1,720
Regina, Sask.	\$1,060
St. John's, Nfld.	\$1,177

Discounters duke it out

Competition is heating up in Canada's discount brokerage business. E Trade Canada has become the first major discounter to eliminate fees for buying, switching or redeeming mutual funds. The move is expected to spark a price war among rival discount brokers. E Trade's notes offer covers more than 600 funds. Previously, the company charged commissions of up to 2.5 per cent as well as redemption fees on most so-called funds of about \$45,

Race Snaks. Chicken's feet. Octopus. In Asia, all kinds of things go into a rice bowl. But one item is really surprising: nickel. Let us explain. For years, stainless steel has been an ingredient of cutlery

and cookery in North America, because it doesn't transfer

food's taste or odour,

and is hygienic.

Now, for the

same reasons,

it's being used

to make rice

bowls and chop-

sticks in Asia. Which

is appetizing news for the

investor. Because Inco makes

the nickel that goes into the

stainless steel and rice

bowls aren't the only thing we

bring to the table.

Inco nickel is playing a key role in

many of Asia's booming industries. For instance, we make more forms of nickel for bicycles, motorcycles and

cars than any other nickel producer. We're also a popular item on the menu of Asia's architects, construction engineers and railway manufacturers.

As well, our nickel is in increasing demand for a number of

high-tech applications, from personal

computers and televisions to

printed circuit boards and

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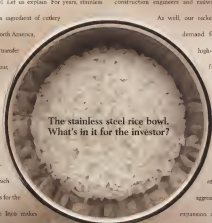
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Peter C. Newman

A new image for Conrad's number 2

"Of all Conrad Black's writers," confides a journalist on one of his newspapers, "none is more compelling than the fact he's not David Radler." Franklin David Radler has been Black's hatchet man and alter ego since they purchased the near-bankrupt *Shortly After* in 1989 for \$50,000. They immediately cut the paper's payroll by more than 40 per cent, reduced expenses right down to covering toilet paper and with its margins were making money. "After we saw the profits [in *After*]," Black later recalled, "we said to ourselves, God, where's this business been all our lives?"

Nearly three decades later, they (along with partner Peter White) control 356 papers in six countries with a daily circulation of 8.1 million. In the process, Black has turned into a kind of secular pope, decrying from various thrones and essay columns to publicize about anything that enriles his fancy. Those who observe his behavior and try to follow his prose are convinced he has become the figure of his own imagination. But love him or hate him, Black remains as pecking and phenomenally successful (five watched and written about him for the past 15 years and have reached a simple conclusion: the great good spots on a Conrad cover have died years ago, so is a reminder that anything is possible. He is an original.)

But now, at long last, his partner Radler is coming into his own. No longer merely the guy who moves into newly acquired properties with a hatchet, cutting costs and people, Radler has become a publisher in fact as well as in name, and he loves it.

He commutes between Vancouver, the operating headquarters for Hollinger Inc.'s U.S. and Canadian properties, which include the *Seattle Times* chain of 18 Canadian dailies, and Chicago where he is publisher of the 500,000 daily circulation *Chicago Sun-Times*. Radler has turned that paper around and is beginning to make serious money into the market share of his larger, richer rival, the *Chicago Tribune*. On the weekend of Denver's tragic accident, he took pride in the fact that his people at the *Sun-Times* stopped the press and got the news of her death into the Sunday paper, securing the early edition of the *Post*, which only had news of the accident. He followed that up with a special edition on Labor Day devoted entirely to the Princess of Wales. Radler counted on having reports of the windy city's reaction to Denny's death in such detail that when he learned a crowd had gathered at the British consulate, he dispatched a paper boy drive with 600 copies of the special edition. It's a standard tactic. Whenever demonstrative marches in front of the Tribune building for one cause or another, Radler sends *Sun-Times* subscription agents into the crowd.

Although Radler has spent a professional lifetime being thrashed and

cutting expenses so harshly that his idea of taking guests out to a business lunch was to feed them hotdogs, he has changed his ways. He now treats Vancouver lunchtime visitors to Massachusetts, a nearby upscale eatery. His once shabby office has been replaced by a suite of luxurious, if ostentatious, chambers and meeting rooms that include a kosher kitchen and a photographic display of his achievements. As the *Sun-Times* publisher, he is directed handing a basketball to the referee at the final game of the 1996 NBA championship, won by the Chicago Bulls.

"We'll have a cash profit of \$500 million this year in the Hollinger chain as a whole," he told me during a recent interview. "All of our Southern papers are doing very well editorially, and we've even turned around the circulation of most of them. I didn't have to be a genius to do that. I just froze the circulation pricing, which had previously been used to cover increased costs. That was clearly counterproductive."

When I ask him whether all of the papers are forced to publish the liberalistic gospel of Black's wife, Barbara Aron, who is also the company's editorial director, he replies: "No. They don't have to take her copy; that's the editors' prerogative. Not publishing her column is hardly a career-advancing move. Also, the papers are far more successful in free enterprise than they used to be."

Hollinger is investing big money into modernizing its papers and plants even though Radler acknowledges newspapers are becoming a minority taste. But he insists that someone will always have to report, edit and illustrate the news, however it is ultimately delivered. "Readers' will eventually be able to custom-design their own electronic papers, he predicts, by indicating exactly how interested they are in any particular item. The print version that will emerge out of the computer will reflect those priorities by the size of the headlines. "But," Radler emphasizes, "we still have lots of faith in print. Given what they want, people will keep on reading."

What preoccupies Radler's mind and time these days is designing the new national daily that *Seattle Times* intends to launch next year. "We'll have the answer in a month or two," he promises, not denying the speculation that it could be modelled on the successful *USA Today*. "We don't consider it downscale, we think it appeals to younger readers."

How will the Black-Radler paper fare against Canada's current national newspaper, *The Globe and Mail*? "I found it very reassuring," he glances, "that when I went to a couple of my best friends on Labor Day, right after Denny's accident, when there were no local papers available, I still saw many unread *Globe*. It seems to me that it's mostly ex-Cdn/Canadians scattered around the country who buy the *Globe*, but eventually we grow out of old habits."

The competitive edge is still there.

TRY OUR PATIENCE

GIBSON'S FINEST 12 YEAR OLD

WHEN ONLY THE FINEST WILL DO

Henderson Scores!

The 1972 Summit Series changed hockey forever

BY JAMES DEACON



Sliding into a chair in a quiet corner of Maple Leaf Gardens' famed private club, the Hat Store Lounge, Paul Henderson allows a moment to kick around. The decor in the upstairs room—as dated as the Leafs' glory days—is designated by an alarmingly bright mural, a rainbow of colors not found anywhere in nature. "This place is the same as it was when I first played here in the late '60s," Henderson says cheerfully. He hasn't changed much, either. Dapper in a blue blazer, crisp blue shirt and grey bowtie, the 56-year-old Henderson still plays recreational hockey regularly, works out three times a week and proudly reports he hasn't gained a pound since his playing days. And the years seem to melt away entirely when he talks about scoring the most famous goal in the history of his sport—the one that, on Sept. 28, 1972, gave Canada its cause-dramatic victory over the Soviet Union in the so-called Summit Series. "All I remember right after that is that I was hugging Yvon Cournoyer in the locker room," he says, clutching his chest to illustrate the point. "It's a good thing he was so strong because I might have hurt someone else."

Henderson, Cournoyer and the first-ever Team Canada did not celebrate alone. Approximately three out of every four Canadians went glued to their TVs and radios for that final game in Moscow. Bystanders experienced an epidemic of midday absences. Schools interrupted classes so that students and teachers could watch. And there are people who cannot recall where they were when Henderson scored: Igor Iliin, Toronto communications times columnist Katherine Van de Mark, now 41, remembers her Grade 10 physics teacher—"the only male teacher in an all-girls school"—bringing a TV into their classroom so they could watch the eighth game. When Henderson broke the 5-5 tie by snapping his own rebound past goaltender Vladimir Tarasov with 34 seconds remaining, Van de Mark and her classmates did what 13 million other Canadians did at exactly the same moment: "We all went completely nuts," she says.

Talk about the way for the national psyche. For a country perpetually searching for an identity, Henderson's goal did more than reaffirm that the bachelorette of the North American continent was still the best hockey nation on earth. That one spine-tingling victory was somehow a symbol of what it meant to be Canadian. The fans who hugged and howled and jumped up and down identified with the character of the players—their flexibility in adapting to the Soviets' baffling, unfamiliar style of play. And they took pride in a team that did not give up when all seemed lost—that had one win, three losses and a tie going into the final three games in Moscow. It was to Canadians what Neil Armstrong's landing on the moon was to Americans—one giant (if low-tech) step for the nation while the Soviets went their home road. "You can't recognize today that I was in 1972," Henderson says. "People are always stopping me for autographs and to talk about the goal."

The event had an even greater impact on the sport itself. The Na-



Henderson at the Swarovski, victorious OJ! I never dreamed of being the hero

tional Hockey League, opened like an Old Boys club, had arrogantly assumed that it was God's gift to the game—until the Soviets awakened their awfully, five-on-six attack. They emphatically demonstrated to NHL general managers and coaches that they needed to rethink their staid postwar style of play, and that Canada did not have a corner as the latest market.

As time overtook the two nations sent hockey on an international breakaway. To satisfy the suddenly voracious appetite for red-tinted competition that allowed the use of professionals, officials organized the eight-country Canada Cup in 1976 that, four cups later, legit the World Cup of Hockey in 1996. That, in turn, was a dry run for next February's Winter Games in Nagano, Japan, where, for the first time, all of the world's best professionals are eligible to compete for Olympic gold. "What's happening is the globalization of hockey," says Bob Goodenow, head of the NHL players association. "It's the natural evolution of interest in a great game."

It was a major miracle that Canada versus the Soviet Union occurred at all. The first discussions between the various governing bodies took place in Stockholm in 1969, and there were considerable diplomatic hurdles, not to mention the objections of NHL team owners. Adding to the potential fireworks was the co-ordination between Soviet bureaucrats and Alex Eaglestone, the then players association boss who spearheaded the Canadian delegation. "Tired of watching Canada's amateur entries get humiliated by the amateur ice-cream-only Soviets of international tournaments, Eaglestone barged into the negotiations with all the publicity

at Wayne Gretzky on the boards. "The Soviets had proved they had the best athletes in the world and we were the best professionals," he explains. "So I took the position that we should play our best against their best."

It was three years before a deal was finally struck and the result was more than just a hockey tournament. "It was during the Cold War, remember," says Red Sebring, a Team Canada defenseman. "It was Us versus Them." Even then, the Canadians were not prepared. Many of them arrived at tournaments that August out of shape and overconfident. "I saw these guys at the banquet before the series, and some of them were 10, maybe 15 lbs. over weight," says CBC analyst Don Cherry, who was then coaching the amateur-league Rochester Americans. "They didn't take it very seriously at all." The players learned their folly after falling behind 3-0 early in Game 1, the eagerly lit Soviets—led by their brilliant winger, Valeri Kharin—skated rings around their hosts in Montreal and swept to a stunning 7-3 triumph.

After four games at home, Team Canada had only one victory and a tie, and appeared in jeopardy that desperation in the manner of engagement. Coach Harryinden shipped his troops into shape during a 10-day layover in Sweden prior to the four Moscow games and, despite losing Game 5, the Canadians battled back to take the final three contests. The victory, says Haglund, marks "a triumph of the human spirit." Nothing else comes closer, at least professionally. "I see us, Russian, who is attracted from the game and have crucial changes of mind and embarrassment, has been full of savagery from 1972. 'I'll ever have a memorable sale,' he jokes. "I'll be able to pay some bills."

Ironically, some analysts now say the victory did North America's hockey a disservice. Had they lost, the theory goes, NHL and Canadian officials would have been much more likely to adopt Soviet-style development programs that included early Soviet professional and dry land training. Ken Dryden, the starting goaltender in the final game, agrees to an extent, but says he certainly did not mind at the time. "The-

usually, the glad Paul scored," the now president of the Leafs says with a chuckle. "It's one thing to learn a lesson, and it's another to be hammered over the head with it. And that's what our experience would have been had we lost."

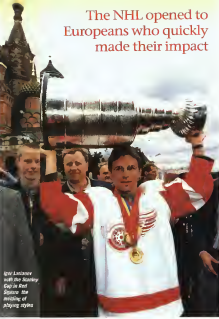
Slowly at first, NHL teams opened their doors to European players and even to their training methods. The result, of style, however, was not complete until the fall of communism released dozens of top players from Eastern Bloc nations. Detroit owed its Stanley Cup victory last June in part to the stellar play of its five Russians. And as a further symbol of how things changed, three of those Russian Red Wings took the Stanley Cup to Moscow last summer.

Currently, more than 20 per cent of NHL players come from Europe, and to some, that is too many too soon. CBC's Cherry, of course, regards all reports with suspicion. "I don't like a lot of things they brought over," he says of the European players, signing off behind, Vienna, and even this board advertising as examples of the scourge. "And they take dives," he adds. "I mean, [former Philadelphia Flyer] Billy Barber was good, but these guys are like Tom Mix." Yet, even Cherry acknowledges there are benefits for the NHL. "The influx of new players helped the league avoid a decline in talent when it added five expansion teams in the early 1990s. As well, he says, younger Europeans who are just joining the NHL seem prepared for a tougher style. "I see a lot more of them coming over now," he says, "and you can't tell the difference between them and the Canadians."

Some Russian officials have complained that the loss of stars to North America diminishes interest in domestic leagues. But NHL commissioner Gary Bettman suggests the opposite is true. "In the last five years," he says, "the 16 leagues in Europe have grown by 20 per cent in terms of the number of teams, and amateur-level hockey in Canada has grown 20 per cent." And it would be difficult now to stem the flow of talent to North America. There is both the lure—the average annual NHL salary is more than \$1 million—and the opportunity—four expansion teams are



Cherry, getting 'our best against their best'



Igor Larionov with the Stanley Cup in Red Square the morning of playing styles

The NHL opened to Europeans who quickly made their impact

scheduled to join the league by 2000. They will have to find players somewhere.

From his 47th floor office in New York City, Bettman can see a world of possibilities unfolding from the NHL presence at the Olympics. The tournament is expected to build interest in NHL products and TV programming, not just domestically but also in Europe and the Pacific Rim. More importantly, Bettman says, the Olympics offer a chance to create new fans and encourage more kids to take up the game, thus adding to the talent base. "It's an opportunity because more people worldwide will be exposed to this game and our players than ever before," he says.

That exposure is why NHL owners are willing to suspend the closing season for 17 days in February. Also with national pride, it is why enthusiastic players are willing to compete for experience only. And it is why Bettman and Goodenow set aside their bitter differences to work with the International Ice Hockey Federation, the International Olympic Committee and a dozen other organizations for the common good. If nothing else, Bettman says, the event is certain to be an artistic success. "You are taking the best hockey players in the world and asking them to play for their countries," he says. "So the competition will take care of itself."

The veterans of 1972 say they had no idea at the time how profound an effect the series would someday have on hockey. "I never imagined that, 25 years later, all the best players in the world would play in one league," Dryden says. Few could fathom the impact on themselves, either. Henderson's 19-year pro career was well beyond spectacular—he is not in the Hockey Hall of Fame. But supporters argue that he should be, pointing out that he scored the winning goals in the three final games of the granddaddy '72 series. "I never, ever dreamed of being the hero," he says. "I would have been happy just to sit on the bench and open and close the door for the guys." Since retiring from hockey in 1986, however, Henderson has drawn on the experience of 1972 and his outstanding high profile in his work as a Christian missionary. "I think the opportunities it has given me, in terms of giving back, are the best part of it," he says. "I am probably more satisfied with what I have achieved since 1972 than what I did before, and it will never go away. The day I die, the stories will say I was the guy who scored the goal in 1972."

Now, with the joy, he remembers sheer exhaustion. "My back was aching, physically, emotionally, every way there was," he says. "I sat in the dressing room for about 45 minutes and I couldn't even get my skates off." Early the next morning, he and the others had to board a plane for Prague for an exhibition game, and as soon as they returned home, they had to report to their regular training camp. For Henderson, that meant resuming the three-mile, 100-pound, 100-mile-a-day routine of the "Blackie Baller." "What irritates me to this day is I never really got a chance to celebrate," he says.

As if to compensate, Broadman, Sebring and another 72 alumni, Ken Ellis, formed a nonprofit group to organize events honoring this week's 25th anniversary. They even had a picnic dinner in Toronto for the players, a golf tournament and a hand-some inter-sport game at Maple Leaf Gardens on the anniversary itself. For the players, it was a chance to relive their maddest moments. And across the country, the occasion will likely spark a flood of reminiscences—people recalling where they were, who they were with and, perhaps, what it feels like to be Canadian. □

protest moments as a Canadian."

Alex Tkachenko, 50, actor. "I was living in Los Angeles, but I did manage to watch the series. I knew there was no guarantee that Canada would win the final game, so when Henderson scored that final goal, my reaction was 'Who can I call in L.A. who would understand this?' I still have a photo of Henderson's goal hanging on my wall."

Compiled by Tanya Davies

WHERE THEY WERE WHEN ...

Don Cherry, 54, CBC hockey analyst, then coach of the Rochester Americans. "It was during a practice and I pulled the guys off the ice to listen to the rest of the game. When Henderson scored, I mean, it was like we had scored ourselves. There were all these empty guys, all in equipment, jumping up and down and hugging one another."

Deborah Gray, 45, Reform MP. "I was in bible school in Langley, B.C., listening to

the game on the radio. When Paul Henderson scored the final goal everyone in the class went crazy. He was the hero to us, and still is. I met Henderson a few years ago and he was very gracious about the game. It was pretty amazing to meet him."

Carl Hirschi, 32, two-time Olympic medalist in cycling. "I was living in Winnipeg, and if there was one thing that was big in my life, it was hockey. I reacted to the goal like any other seven-

year-old hockey-crazed fan from Canada did. 'I was happy... we were the greatest, plain and simple.'"

Peter Jennings, 59, ABC news anchor. "I was living in the Middle East, so I didn't get to watch the whole series. But the day of the last game, I flew to Ottawa and on the drive from the airport to Aylmer, where my parents lived, there wasn't a single soul on the street. My reaction when Henderson scored was 'You've got to be kidding,' and as I watched the endless reruns of the goal, my reaction stayed the same. I can

only hope that there are more victories like that one."

Frank McKenna, 49, premier of New Brunswick. "I watched the final game with my wife, Julie, and several law school classmates. When Henderson scored his goal, we literally went through the roof. In fact, there was so much noise in our building, you could actually feel it shaking from all the celebrations. That game represented one of my

Press-box Confidential

BY TRENT FRAYNE

Anybody under the age of 35 is unlikely to appreciate the state of mind of millions of Canadians on the afternoon of Sept. 28, 1987: the day Team Canada and the breathtaking redefiners of the Soviet Union played the deciding game of their historic Summit Series.

From Moscow the voice of Foster Hewitt, broadcaster supreme, delivered streaming words as the second period ended: the best hockey team ever assembled in Canada had coughed up two late goals and a tight game had become a 3-3 lead for the host guys.

The Soviets had been a devastating force in international hockey since 1954. That was the year they made their first Olympic appearance. They blundered Canada's train, the kid-charger Mikhailov Demchenko, and they won the gold medal.

But this 1972 hiccup had been assembled to obliterate past embarrassments. It was the first true Canadian, on-glass from the National Hockey League, built to get hockey's crown back where it properly belonged: leveled, so the days leading to the Sept. 2 series opened in Montreal, deep-thinking Canadian newsmen and hockey fans point to coast were predicting an eight-game sweep.

Twenty-six nights later, the world knew better. Through four games Canada had been outplayed, out-skated and outscored, trailing three games to one with one tie. These National Hockey League players had been accustomed to working their way into decent condition as each new season took shape. Now, slowly began to trickle by the flying Soviets, they scrambled back into a two-goal deficit for a deadlock, each team with three wins and a tie.

Accordingly, the vital eighth game began in a charged atmosphere in the big barn of a rink called the Lachine Ice Palace on Mascou's outskirts. It was a strange building for hockey. The sides were some 15 feet wide (close to five meters) from the boards to the front row of seats, and at one end the distance was at least six times as great, a huge vacant space.

For this final game, a full-on ice set corner stretching from ice level to roof, surrounded the 8,000 Canadians who had hit Moscow a week earlier and now they surged with flags and banners and thundering cheers. They had dreamed up a vision, *du da Canada, ayet ayet Soviet*, which they braved every couple of minutes. Next to their section stretched a pile of Soviet supporters, relatively restrained except for high pitched whistles in earlier games. But now they answered each Canadian chant with one of their own. It sounded like *dy ba, dy ba* and no doubt meant something like *go jump in the North American River*.

Just before the opening puck was dropped, a contingent of Soviet midlinesmen came marching into this do in their black-red-trimmed uniforms with rifles slung across their shoulders. They lined themselves along the front-row seats and behind the players' benches. They were likely there to keep peace, but these were the days of ap-

peals and KGB police and L for, one, figure if they were there to throw us all into cells buried deep under the Kremlin. Or right near there.

Most of us via-stained scribbles from Canada sat, check to check on a long polished bench half a dozen rows above, no level near one of the blue lines. My seatmate was Jon Coleman, columnist for the *Southam* (then of newspapers). Coleman later was an *Order of Canada* recipient, a practically unknown accolade among low-life sports scribblers. Then as now he was an amazingly entertaining writer and a stomach custodian.

It was in this later capacity that I recall him at the final game. He grew increasingly aggressive as the Soviets played the Canadian lineup for jump. He was especially

dismayed by the loss that vigorous style of Rod Gilbert, a polished right-winger for the New York Rangers, whom Jim had dubbed *Mad Dog* earlier in the series, studying Gilbert's leonine style. "Geez," he muttered once, as Rod tapped in panning Russian lightly with his stick, "is he gonna like that Valencher?"

Coleman was missing when a group of us dozy thinkers stood in a little knot of glass under the stands following the second period. Let's see, there was Rod Fether from the old Montreal Star, Ted Blackman from the same town's *Gazette*, Jim Taylor from *The Vancouver Sun*, Fran Ross from *The Ottawa Citizen* and me: all of us glass. *Times Canada* had tied the score at 3-3 halfway through that period, but then the Soviets had pulled away on goals by Aleksandr Yakushev and Valery Vashley.

I hated the word. "I just hope it isn't a blowout," I gumbled to Taylor. He agreed.

"Do those guys never get tired of skating?" Ted Blackman muttered.

When I went to my seat, Coleman wasn't there. He should have been because after less than four minutes his man Gilbert got into a fight with Teyos Mahulov. I sped upstairs to the press lounge looking for Jim.

He was there, and he later confirmed that he was infinitely depressed by the idea of an imminent Canadian loss that he was on the brink of ordering a double whisky. This would have been a serious departure for him, a former drinker who for many years had been the spiritual father for a lot of us with alcohol problems.

I rushed into the lounge where he sat at a table. "James, you've got to come and see this," I cried. "Mad Dog Gilbert has just been knocked a stranger for fighting!"

You're kidding," he said, laughing aloud as we sped for our seats. So we were there when the Canadians refused to fold, when they doggedly reversed the Russian flurry. And we were on our feet and screaming when they put the winning goal with 34 seconds left on the clock. And somebody around it, you'll think of his name. Even if you're under 35. □

Canada's comeback caught writers off guard



Rod Fether (left) and Ted Blackman (right) looking on from the press box during the game.

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Edited by
BARBARA WICKENS

He's still schticking

It is a curious twist in Frank Shuster's long and remarkable career that he is now responsible for whittling away at the length of the comedy sketches that he and partner Johnny Wayne once fought so hard to maintain. As host and producer of Wayne & Shuster's *Mastmuckitche* Theatre, a one-hour special that CBC-TV will broadcast on Oct. 6, Shuster delved into hundreds of hours of archival footage of their TV programs from 1967 to 1989. On 1996, 22 episodes of Wayne & Shuster in *clerk* & *White* celebrated their earlier work. But now he'll be working in the new show, Shuster had to pare some sketches that had run as long as a quarter of an hour to just five minutes. Still, he feels he is making the edits with the blessing of Wayne, who died in 1996. "I know what he would say," says Shuster. "You have to save this, you can cut that."

From their days in the Canadian Army Show during the Second World War, Wayne and Shuster developed a unique style. Never stand-up comedians, their humor depended more on setting and situation—and skewed looks at the classics—than the quick wit. So when early U.S. variety programs offered them short segments, they always declined. Finally, in 1958, Ed Sullivan lured the duo to his New York City TV studio by including a clause in their contract that he would not edit them. It was a startling coup, and other performers—especially those whose acts were slashed while the two Cana-



Shuster: sifting through hundreds of hours of unique sketch comedy

dians went unsifted—were in awe. Shuster recalls singer *Kurtis* 30th saying to him: "What do you guys have on Sullivan?" Now 81, Shuster is not about to retire. Without the grind of a weekly show, he has more time to spend with his wife of more than 30 years, Ruth, with whom he has two grown children. He is also a passionate golfer whose push to break 100. But on many days, he can still be found in his CBC office. Says Shuster: "I'm already working on the next *Mastmuckitche* special."

Cross-border therapy

More over Howard Stern and Luana Schlessinger next comes Rhona Ruskin

The Vancouver-based radio host made anime history in July when she became the first Canadian woman to have her show, *Rhona At Night*, syndicated in the United States. "I was really nervous," says Ruskin about her debut on Seattle's 103.7 The Buzz, the first step of a planned U.S. invasion. "It was the idea of all those people knowing that I'd this, because really, Americans aren't all that different from us." Not when it comes to love, sex and relationships, the heart of Ruskin's guidance. The former clinical counselor has been discussing her humorous and sometimes crazy world of anime since 1987, when she took over the 295.3 program *Sex, Lies & Anime* after the previous host quit. The rest of the country joined her "anime neighborhood" in 1995, making it the No. 1-ranked phone-in show in Canada. For those too shy to ask intimate questions on air, Ruskin has a nationally syndicated newspaper column, *Ask Rhona*, and a 1996 book, *Ask Me Anything: How*

does Ruskin explain her popularity? "Because I have been having coffee around my kitchen table with these people, offering advice as a friend," she says, adding with a laugh, "With the added bonus that we'll see each other." A recipe for a successful relationship.



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Life imitates art

For his latest project, German director *Wim Wenders* wanted to make a film about violence without actually showing lots of it. The last of *Wim Wenders* movies past due. The story revolves around Mike Mox (Gael García Bernal), a Hollywood producer of violent thrillers, and surveillance expert Ray Denig (Gael García Bernal), and the way their lives converge after Mox is abducted. In a weird coinci-



Wenders: accented by *NEWS*

dence, Wenders had what he calls his first brush with actual violence right after completing the film in May. He and his wife, *Danuta Schmidt*, and another couple were returning from the Cannes International Film Festival when two masked motorcyclists stopped them outside their rented villa, rudely demanding money. When the fear faded, the would-be robbers took off. Although no one was hurt, Wenders and the incident left them all shaken. "No matter how you see how prepared you for violence when it actually happens."

The Last Good Year

Canada changed forever in 1967



The year 1967 was a surreal year in Canada. There was the Centennial and Expo. French President Charles de Gaulle joined the Bunch of Seven; separatism and Pierre Trudeau emerged from the grey ranks of Liberal backbenchers to stake his claim for the leadership he won in early 1968. The following excerpts are from Pierre Berton's new book, 1967: The Last Good Year, published this month by Doubleday Canada.

It was a special year—a strange year—and it is probable that we will not see its like again. It was a turning-point year. An spring political establishment was about to fade away to be succeeded by a younger, more vibrant one. A post-royal commission—into bilingualism and biculturalism—delivered its report; a future constitution, dealing with the status of women, was launched. Canadians talked about economic unification, working class society, the outdoors, divorce laws, national unity, the drug culture, and whether or not the state had any business in the bedrooms of the nation. All these diverse subjects reached a kind of resolution in 1967.

Babies born in the glory years of the late '60s when the boys had come home from the war had now reached voting age. They saw the world differently from their parents. And so 1967 was a psychologically young, a McLuhanesque year, a crisp, razor-sharp year, to use the buzz phrases of the day—a year of arguments over hair lengths and skirt lengths, of hippies, draft dodgers, love-ins, and beat-the-beats marches. But above all, it was a year in which most Canadians felt good about themselves and their country.

The stock market was rising. Dividends were at a record high. On the Prairies, it was the year of the miracle crop—323 million bushels

harvested, almost 50 million more than forecast. The mining industry was expanding at a rate double that of the Western world. The gross national product had doubled in a decade.

The world was in turmoil that year. American bombs thudded down on North Vietnam, and American youth marched in protest. The Six-Day War between Egypt and Israel forced the closing of the Suez Canal. China was close to civil conflict as the Red Guard routed the countryside. Greater abandoned democracy in favor of a military party. The breakaway republic of Biafra threatened new bloodshed in Nigeria. No fewer than 127 cities in the United States endured savage race riots. But in Canada, peace and prosperity reigned.

We look back today on the miracle of Expo 67 with feelings of pride and nostalgia. "Miracle" is the proper word. How did we manage to pull off the greatest world exposition in history with almost half the start-up time that most world's fairs require?

It has been said that Canada is not a country of soldiers. The men who designed and built Expo modified that stereotype. Commissioner or general Pierre Dupuis, the conservative diplomat, acted like an international Fuller Brush salesman, hammering in doors in 125 coun-

Stewart's birthday bash: Trudeauism (top left); Jean-Denis Mayor Jean Dupuis at Expo (right); excitement



tries, peddling his wares. He saw 90 heads of state, spent a minimum of three days in each country, and visited a good number. Col. Edward Churchill, Expo's director of installations, was a retired permanent army officer, who had helped Field Marshal Bernard Montgomery build airfields during the war. A short broad-shouldered red-haired officer with a bulging face and a raspy voice, Churchill could be tough. It was claimed that he was perfectly prepared to call a halt to and push a partly finished building onto the river if it was not completed on time. His reputation was such that the threat never needed to be enforced.

Churchill built the fair, his opposite number, Philippe de Gaulle Beauharnais, ran it over. It opened. A 35-year-old wheedled, seen of one of the most illustrious Quebec families whose progenitors had settled up the St. Lawrence three centuries earlier, he was quickly dubbed the Mayor of Expo. Darkly handsome, dapper, and a dynamic speaker, he was past manager, past promoter. Three days after he was hired, he was in Paris, departing Expo before the Bureau of International Expositions. It was very late in the day. The general attitude was cool, how could the Canadians do the job in half the time usually allotted? Beauharnais was sitting on the steps of the bureau when he overheard a conversation between two Frenchmen. "Wait till you see those Canadians really do the deed," one told the other. "They don't have any idea of what it is to do something intelligent and competent on an international scale. This is going to be a disaster and we'll have a good laugh, and the next one we'll bring back to Europe." That got Beauharnais's dander up. "That's what you're going to get, day and night," he retorted, "to allow those bastards that we could do it. That was the driving force to show the world."

Expo 67 opened to the public on the morning of Friday, April 28. As the gates opened, an enormous and enthusiastic crowd, reckoned at between 310,000 and 350,000, surged into the grounds, far exceeding the 290,000 people the Expo authorities had expected. Sunday's attendance soared to 528,000, a total that surpassed every one-day world's fair record ever set. When I covered Expo for Maclean's, I collected in print that "I'll bet you're an unexpected creation" a moment in the eyes and a business in the throat of the kind one usually experiences only in moments of rational stress. . . . It was rationalism unshaken and I discovered later that others had felt it, too.

Expo obsessed me. I made five trips to the fair, including a stay in Habitat 67 and another memorable week parked in a parking lot at the quarter with my family. For me, as for the children, it was a walk through fairyland. I was reminded of each occasion of my first visit to Toronto as a child of 11, after almost a dozen years spent in a Yukon village. At that time—the year was 1952—I had never seen a neon sign, ridden in a streetcar, or tasted a radio shish. Roller skates were as novel as traffic lights, and the Stampede amusement park on the lakeshore, with its Dodger cars and its thrilling

Hippies, love-ins and a burgeoning sense of national pride

order counter, was truly from a magical land. Now, at Expo, the image returned, making my museum of Sunbrite seem a little too tiny. At Expo, we were all children, wide-eyed, lulled by the shock of the new, swooning from one outrageous pavilion to the next, our spirits lifted by the sense of gaiety, grace and good humor that these memorable structures expressed.

The contrast between the U.S. pavilion and that of the Soviet Union was remarked on by almost everybody. The American exhibit, at first best, was playful, awkward and charming, but overly banal. Blasted in Rockefeller Fuller's marvellous grotesque design, the most visible landmark on the island, they conveyed a mood rather than information. The Soviets, who spent

twice as much as the Americans on their awesome glass-steel pavilion, were obsessed by technological grandeur, much of it expressive. Where the Americans were ironic, the Soviets were grandiose, offering a formidable statement of technological achievement (a working model of the largest hydroelectric station in the world).

The British, who held the tallest building at Expo, topped by a three-dimensional Union Jack, also caught the Soviet mood, striving to launch the image of stately Englishness and civilizing on poor grounds, lush with youth, and rainforest. It was swinging London transferred to Montreal.

The huge Canadian pavilion turned architecture upside down, illuminated by a gigantic inverted thousand-ton blue-green glass pyramid known as Koolhaas' "Vault for 'floating place'", it spanned over four acres and 550 million, far more than either the Russians or the Americans had spent.

But the most controversial, best-known, most talked about theme pavilion at Expo celebrated Man and His Environment and was far better known as Habitat. It was remarkable in many ways, but the most singular thing about it was its creator. Some of the world's most original architects produced buildings at Expo. But Habitat was the inspiration of a totally unknown 26-year-old Israeli-Canadian named Moshe Safdie.

No one could miss Habitat. Stretched out on the North Shore along Mackay Pier it looked like a school of building blocks scattered about by a Boredomgasm child. Actually, it was the much revised result of a graduate thesis written by a young student who, when he advanced the proposition, had never built anything in his life.

Safdie was no ordinary student, and, as it developed, no ordinary architect. A gold medalist at McGill University, where he was a student of awards, he stood first in his class. But to turn his thesis into a real, workable plan, Safdie's complex housing more than 150 families (Habitat 67, in its scaled-down form, consisted of 354 modular units suspended into suites for 158 families). These were poured in concrete and manufactured in a huge temporary barn, the building adjacent to its site. Once each concrete box was formed, cured and scaffolded, it was moved to the finishing yard

where ready-made components were put inside it. Complete both rooms of moulded fibre glass were installed, very much as in an automobile assembly line. Kitchens were inserted in the same way. Prefabricated partitions were fitted into place along with plumbing, wiring and glazing. When each unit was complete, it was hoisted into its place in the cluster by a gigantic crane, then bolted, secured and connected up.

The great tragedy of Habitat was the decision to scale down Safdie's original plan to one-sixth its contemplated size. Generally, Expo's planners thought big, but in this case they—on more correctly, the Treasury Board—thought small. Safdie's initial scheme attacked the whole problem of urban density. But the scaled-down Habitat was no more densely populated than an ordinary apartment building. Safdie had seen Habitat as a self-sustaining village of more than 5,000 people, complete with shops, services, school clinic. None of this was possible in the scaled-down version, which meant that Habitat's residents found themselves isolated from the city's amenities. In the original concept, much of Habitat would have been supported by the retail outlets on the ground floor while the high density would have made rents economically viable. When critics at packed Habitat for not solving the problem of density or high rents, they were really attacking the government's prefabricated design.

By the time Expo closed, Safdie was perhaps the most talked-about architect in the world. That didn't help him in Canada. In the 13 years that followed, he didn't get a single commission in his adopted country.

It was a golden year, and so it seems in retrospect—a year in which we let off steam like schoolboys whooping and hollering at term's end. We all thought big that year. The symbolic birthday cake on Parliament Hill stood 30 feet high, ice cream and cake for 30,000 kids and hung the expense! Over and over again, we showed the world what Canadians could do. Nobody in London, including the World Cup for slalom, Einar Tønnesen, the square Mighty Mouse, played four medals at the Pan-American Games, Marshall McLuhan on every magazine cover.

By a number of measurements, we are a great deal better off today than we were 30 years ago. We are healthier and we are wealthier than we were in 1967. The real net worth of the average Canadian is almost double what it was back then. Habitat born today can expect to live longer—six years more than the notorious crop of babies.

Why then do we look back to 1967 as a golden year in retrospect? 1967? It we are better off today, why all the back-biting? There are several reasons, but the big one, certainly, is the very real fear that the country we celebrated so joyfully 30 years ago is in the process of falling apart. In fact, since 1967 was the last good year before all Canadians began to be concerned about the future of our country.



The Queen leaving the Canadian pavilion everything seemed possible that year

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Haven of learning

A unique school gives native kids a second chance

BY JAKE MacDONALD

Ross Avenue, in Winnipeg's north end, runs smack through the middle of one of Canada's toughest neighbourhoods. Gang graffiti defaces the boarded-up fronts of abandoned houses. At night, police vans whump in the darkness. Nearby, brick yards echo with sounds that might be looting—coupling—but are sometimes gunfire. In two square-block areas, there were six murders and 100 bomb-related incidents last year—crimes in which the perpetrators, and the victims, were often native Canadians. Such numbers are hardly surprising. In just two decades, Winnipeg's aboriginal population has grown to 66,000 from 3,000, swelled by an influx from reservations throughout the province. While the majority have built a better life in the city, many have not. And often, it is children who are the biggest losers. "You have to look both ways for street gangs when you go out at night," says 12-year-old Darlene Spencer. "They take your jacket, your shoes, your money. Last Sunday, they beat me up and put a dent in my side."

For youngsters like Spencer, one of the few safe havens is her troubled neighbourhood's Roundhead House, a drop-in centre, popular teenage hangout—and home to Eagle Circle School. Founded in 1976, Roundhead was the brainchild of Geraldine MacNasura, a nun-turned-lawyer and a determined advocate for north-end kids. Soon after opening the centre, the firebrand activist realized she needed to provide local kids, many of whom were dropouts, with more than just meals from the streets. Going to school with the local school board, she secured funding for a full-time teacher in 1977. Since then, Eagle Circle has become a place of learning in a troubled neighbourhood. "We're never really off duty," says Barb Jones, one of two teachers now at the school, which has 25 students in grades 7,



Jones (centre) with students more than just readers from the streets

8 and 9. "We become very much involved in the personal lives of our students."

They are more than that, too, kids that have been in and out of trouble. Warren Gault first came into contact with Roundhead in 1979 as a 15-year-old dropout, held there by the chance to play free pool. Now a staff supervisor, he works with kids who he says have faced many of the same problems as he did: low self-esteem, a history of family violence and daily harassment by city gangs. "These kids have had a rough time, bounced from one home to another," says Gault. "But they're very strong. If you give them a chance, they do well."

To maximize those chances, teachers start every new student off with a scholastic evaluation to determine their strengths and weaknesses. Students are then required to

make a verbal commitment to attend school—and do their work. They are also expected to take part in charting their own monthly evaluations. Says teacher Sister Maria Vague: "We think it's important that they start owning their own destiny."

The vast majority of students appear to thrive under this tough love regime. Annual records show that average attendance is roughly 90 per cent. And there are currently more than 20 children on the waiting list. "It breaks your heart, be-

cause many applicants tell us if they can't get into Eagle Circle, they won't go to school at all," says Vague. "But if we guess any larger, we would lose our ability to address each student's individual needs." For other schools, Eagle Circle's success has also been a godsend. "It's unfortunate, but large schools can be very intimidating," says George Bleschka, principal of the city's St. John's High School. "Eagle Circle does a marvellous job of providing a personalized, supportive school environment."

For one of Eagle Circle's newest students, who spent the most summer at the Manitoba Youth Centre, a jail for young offenders in Winnipeg, that kind of care and attention has been a catalyst for change. "Barb Jones was the only person who visited me all summer," says the boy, 15, who under the rules of the Young Offenders Act cannot be identified. "My shoes didn't fit, so she brought me socks and new shoes. When they let me go, she came and picked me up." Now the boy has a month at Circle's under-18, his hair and jeans are clean, and he has had perfect attendance. "Every morning, he is here at 8, at least before classes start."

Part of the school's appeal clearly lies in its informal atmosphere. Most classroom desks place around three large tables surrounded by kitchen chairs and battered couch. Students, including many parents, drift in and out. And when school adjourns for the day, Roundhead returns to its roots. Flooded with kids, the former church thunders with music and the sound of pool games drifting up from the basement. "It will be like this now until late into the night," says Gault, who notes that Roundhead is open 24 hours on week ends, holidays and throughout the summer, for any child who needs shelter. "If they are feeling lonely or afraid," says Gault, "they know our lights are on." In a neighbourhood where young lives are often filled with darkness, that is a message many kids are happy to hear.



It's a funny thing,
but Aurora owners tend to drive past
more mirrored buildings.

Now, it's not because they're narcissists. And it's not because they're architects. Maybe it's because what the jaded sorcerer of the bull books have been forced to concede is true: this is just one supremely elegant set of wheels. (And it's intelligently designed to boot - note the seamless integration of visibility-enhancing fog lamps, and rearview mirrors painstakingly sculpted to reduce wind noise.) - So feel free to take another look. We quite understand. (Visit our web site at www.gmcanada.com or phone 1-800-GM-DRIVE to arrange your own private viewing.)

 Oldsmobile
- Aurora -



SMOG TOWN: Commuters in Toronto cover their faces with masks and handkerchiefs to protect themselves from hazardous air. A smoky haze, from hundreds of wildfires burning on nearby islands, hangs over Helsinki, a country where heavy traffic and industry have already pushed air pollution to critical levels.

Diet drug alarm

Canadian and U.S. health officials issued a warning last week after new findings linked two popular diet drugs to potential fatal heart damage. Health Canada urged patients taking fenfluramine and dexfenfluramine—prescription drugs sold under the brand names Ponderol, Ponderol and Redux—to stop and to consult their doctor. "They may have problems even if they have no symptoms," says an official with the Health Protection Branch. The unexpected side-effect first surfaced in July, after 33 cases of a heart-valve defect were reported in the United States, in women who had been taking fenfluramine, an unapproved diet mix of fenfluramine and phentermine—another appetite suppressant sold under the brand names Fenfen and Fenprop. Since then, according to the U.S. Federal Drug Administration, about 30 per cent of patients evaluated by their doctors had damaged heart valves. At least one U.S. woman died. Manufacturers voluntarily withdrew the drugs last week. Phentermine—half of the fenprop combination—is not implicated and is still available.

Broccoli shoots up

American scientists have found a way for people to avoid eating broccoli—until they get the much-hyped vegetable's powerful cancer-fighting benefits. Most amazing, perhaps, is the fact that this new discovery does not come in the form of a pill. It is, simply, the broccoli sprout. In a paper published last week in the

Proceedings of the National Academy of Sciences, Dr. Paul Talalay and a team of researchers at Johns Hopkins University School of Medicine in Baltimore report that three-day-old sprouts grown in laboratory dishes from ordinary broccoli seeds consistently contain 20 to 30 times as much sulforaphane (a naturally occurring compound that helps reduce the risk of cancer) as mature broccoli spears.

Athletes on air

For the past four years, professional athletes eager to get back in the game after an injury, have used hyperbaric oxygen therapy—a treatment designed in the 1940s to cure divers of decompression sickness—to speed healing. "We have great results with chafed knees and deep bruises," says Dave Schmitt, a trainer for the Vancouver Canucks hockey team. "We use it on a daily basis." The players, he explains, sit in a pressurized steel cylinder, breathing air saturated with oxygen. The extra oxygen in the bloodstream is supposed to aid recovery—or so the theory goes. But a study published in the latest issue of the *American Journal of Sports Medicine* suggests that hyperbaric oxygen therapy may be little more than a placebo. In a controlled, double-blind trial, researchers at Temple University in Philadelphia treated 32 patients with ankle injuries within 48 hours. Half received pressurized oxygen, the other half normal oxygen. "We found no difference," says Dr. Alfred Bove, a co-author of the study. Still, Bove is "not ready to write it off" without further study. Earlier treatment, he says, may improve the results. Besides, he adds, "if it works for the players, it may not need to be medically proven."

Toxins in the toy box?

Soft, squishable toys made of polyvinyl chloride pose a health hazard for children, claims Greenpeace. Last week, the international environmental group called on health authorities to ban bath toys, pacifiers and other PVC playthings. The danger, explains Toronto-based Greenpeace spokeswoman Mary Simpson, is that DMP—a chemical softener added to PVC during the manufacturing process—may rub off the toys when they are chewed or sucked. DMP is

one of a family of chemicals called phthalates, shown to cause kidney cancer, liver damage and reproductive abnormalities in laboratory rats. In response, Health Canada last week launched an investigation into the safety of the toys. But the Very Council of Canada and the International Council of Toy Industries dismiss Greenpeace's allegations as unfounded. David Miller, president of the toy industry council, declares: "It is a scare tactic based on an unreliable source."

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The Gab-fest continues

Vicki Gabereau makes the leap from radio to the small screen

BY CHRIS WOOD

She looks... well, not precisely girlish. But still, there is something undeniably youthful about the woman at the corner table of the newly deserted bar at Vancouver's Royal Burgess Hotel. Beneath her downy jacket, Vicki Gabereau is wearing a black turtleneck sweater and black jeans, she has Doc Martens on something smaller than her feet. You almost expect a line of silver studs to run up the rim of her ear. Her face has the clear complexion of the young—or someone who has spent decades in cluttered rooms. Or perhaps it is fear that has a rejuvenating effect—since the veteran radio performer is auditioning her worst bowl of beetles in 10 years. She may be drunk, Gabereau admits. “Once this closing is on, it’s all right. But I have stage fright. I get paranoid. I get nervous and impatient and agitated when I’m scared.” And, she asks, “scared now?” “Yes.” It comes out with feeling.

And with good reason. Having signed off her long-running CBC Radio program at the end of next season’s last spring, the five-time ACTRA Award winner, 55, begins a new show this week in a medium where, to use her own words, she is “as green as grass.” *Gabereau Live* is a daily hour of live interview talk, broadcast casually between 8 and 9 a.m. Pacific time (11 a.m. to noon Eastern) on the Bantam Broadcasting System, from its newest station in Vancouver. The show and the station were scheduled to take their first steps together, launching on Sept. 22. By the middle of last week, as Gabereau sat chatting downers from Bantam’s temporary quarters, carpenters and electricians still had not finished building her set in the station’s studios, up the stairs to the former Vancouver Public Library—space the station will share with Planet Hollywood and a Virgin Records superstore. “I may be broadcasting in a hard hat,” the radio TV host said. She was only partly joking.

But Gabereau seemed almost to relish that unlikely prospect. It was boredom, she implies, that prompted her retirement from radio. On her new show, she says, “there will be more choice involved.” Doggie makeovers. Hairstyle cooking. Sex issues.

That is a warning, but anyone forget, with a deep and serious need for a certain amount of what she calls “the mother element.” As a teenage girl in Vancouver, Gabereau cut school to hang out with family friend Jack White, chatting away with the local, Scots-accented millionaire during commercial breaks in his broadcast booth in Jerry Goldwyn



As a young mother and professional clown working for Pack Job-a-Pool in 1974, she ran for the position of Toronto mayor against David Crombie, wearing her costume and going by the name Rosie Seacrest. Gabereau’s most regretted, never-to-be-replicated interview? It would have been with comedian Jackie Gleason. “He was the funniest clown that ever was.”

“She was always irreverent,” says author Pierre Berton. “She always had a lot of noise in her speech of what he knows. On the day in 1946 when Vicki Flann was born in Vancouver, Berton went out and got roaring drunk with her father, Harry Flann, senior photographer at *The Vancouver Sun*. “He was my closest friend,” says Berton. “One of the funniest men you could ever meet, and one of the best read. He knew everything.” He died in 1983, but Gabereau’s mother, to whom she is close and still alive, “Smart as a whip and a good businesswoman,” according to Berton. In 1960, worried about their only child’s increasingly wild ways, the couple sent Vicki, then 18, to live with the Berton family, the writer’s farm north of Toronto. Months later, the writer’s farm was the scene of a

fatal fire where the entertainment included musician Michel Huc. In love, Vicki married the young musician, and the couple went on to have two children (the Gabereaus separated in 1988).

By the time she ran for election as Rosie Seacrest, her other resume credits included being a flower seller, taxi driver and actress (showing in a suit-core poem movie). But her satire campaign against Crombie brought her to the attention of the Outman media. Afterward, she turned her notoriety to good use, parlaying a post-election interview at a Bantam radio station into a job there. By 1980, she had worked her way to the CBC, replacing throatist Don Harron on *Morningside* for the summer. The following year, Gabereau got a show of her own on local TV, *Harley Tonight*. “I learned a certain degree of confidence in radio,” she observes, adding, “Although it took me five years to calm down to do that.”

In the darkest, noisiest chamber of the broadcast booth Gabereau found work for which her unconventional career path might have been considered vocational training. With an onerous curiosity and a voice

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that has burnished over the years to a mature silliness. Gaboriau "can get more out of somebody just by saying, 'Oh! Is that so?' than anybody I know," says Webster. Though with her former mentor, it seems, Gaboriau never lets anger reign during her on-air appearance on her program. "There had been a liquor strike in B.C.," Webster recalls. "When I finished the program and went home, my wife said, 'That was a very good interview, but I could hear the glasses clinking.' She'd have a bottle of whisky in from Toronto." Gaboriau was an ACTRAer for the interview anyway.

A former stunt was a man, and Gaboriau has been known to make away from the bubble of telepresence and voices at her old show's production offices for the reflective solitude of creating scenes at Vancouver's downtown Rogers. Catholic confided. She has set up a table in a room with Jewish friends. But, she says, "I'm more inclined to a Buddhist here. Not that I'm practicing Buddhist," she adds, looking a tad Buddha-like herself in the embrace of the deep redback chair "I'm in here on the outside."

And there is something Zen-like in Gaboriau's description of the hit she gets from a good interview. "I love that spot," she says. "When I know within the first three minutes that I have control of the situation, that I'm in the groove. It's kind of a rhythm, it's comforting. You lock on and you just go along till it's over. And I pretty much know when it's over."

By 1995, Gaboriau was beginning to get that feeling about her long-running relationship with CBC Radio. She agreed to do two more seasons of what by then was her seven-year-old afternoon interview show. But discussion about a replacement show fell through. At around the same time, Batan was coming about for programming for its new Vancouver station. Batan president Dan Fegan had first met Gaboriau when he was a story editor for the CBC's *Saturday Night News* and she was one of *Newsnight*'s BBS vice-president of original programming Suzanne Boyce opened talks with the interviewer. "They're absolute visionaries," Gaboriau says. "Apart



Gaboriau at the studios for the show

'I'm pretty old to be a novice, which is a weird sensation'

from thinking that it's a pretty good idea of there to have a middle-aged, slightly perky female as an on the TV."

But Batan's Fegan and Boyce are not the only ones who think the ex-*news*—who has headed Nobel Prize-winning author William Golding and Norman Spauld's Gordon Faddy with equal poise—can transfer her quirky chemistry to the small screen. "I think she's brilliant as TV," perfects Bill Richardson, the poet and author who was once a regular guest on Gaboriau's program, and who now hosts his own show in her former CBC Radio time slot. "She is possessed of a kind of intelligent confidence, without being arrogant. At the same time, there's nothing about her that's intimidating. Gaboriau plays no social invertebrates. It's a cocktail party," Richardson remarks. "She'll be able to schmooze with the high and mighty—but at the same time, she'll know the names of everybody in the land and all the writers." Also helping to ease the adjustment to television is that Gaboriau is no stranger to live performance before an audience. She regularly took her radio show on

the road, for live broadcasts from any theatres or places like Aspen's Royal, N.S., and Whitehorse, and is a sought-after public speaker and master of ceremonies.

That television is different, says Gaboriau, is hardly aware of that. "I'm pretty old to be a novice," she growls. "Which is a weird sensation. It's kind of embarrassing to talk about." She plans to follow the advice another Batan broadcaster, the experienced Valerie Poirier, offered during a recent trip to Vancouver. She will feel her way, watching show tapes for mistakes, "and trying not to make the same one more than three times." But Gaboriau refuses to change certain things. The trademark glasses will be there—"There is not going to be any contact lens business because I'm too old and I don't care." Gaboriau's guests will be the same eclectic mix of writers, authors, performers and celebrities who populated her radio show. Booked for the show's launch on Monday were Jani Mitchell and Niloufar Ghah, the daughter whom the Abernethy singer gave

up for adoption in 1985, eventually reuniting with her only earlier this year. Other guests slated for the first week include figure skater Tonya Harding, 30-year-old Chris Carter, and former genre master Ken Campbell—with her cello. "There's more show-and-tell involved in this show," Gaboriau notes. "You want people to bring stuff and do things." There will be a cooking set, employed during some interviews even if it does not lead to actual cooking. There will be a piano player—"To do bridges and once in a while play a song, and for me to thump bass at." There may be a dog simply to be around and give the place some character. There will not be many politicians. "Their points of view have usually been denied by conciliators."

Gaboriau's daily schedule will also have to change. This week, she starts getting up at 5:00 in order to commute to downtown from the North Vancouver home she shares with filmmaker Tom Rowe. Most of her co-workers at the new Batan outlet are young enough to be her kids. Maybe that is another ingredient of her vitality these days, a source of some of the energy that shimmers even beneath the laid-back, jittery. Besides, even after thousands of interviews, there are still questions Gaboriau wants to ask. "I would love to get my hands on Wayne Madsen," she says with grim relish.

"Maybe," she reflects, "maybe I get excitement mixed up with fear. The fear feeling is similar." Or maybe Gaboriau simply needs a little of both. □

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The masculine maze

Carol Shields gets inside the head of an ordinary guy

BY DEANE TUBSHIDÉ

By the end of a sunny Monday earlier this month, Winnipeg novelist Carol Shields had been put through the wringer. She had gingerly made her way through a scruffy hedge and front against a tree to accommodate a magazine photographer. ("Make sure you show the manse," she teased him, flailing rascally-colored sails. "It's a new thing.") She had been interviewed twice, once for print and once for TV, fielding questions about her new novel, *Larry's Party*, from her office at the University of Winnipeg, where she is chancellor; she had called ahead to a local Indian restaurant to pre-order a 4 p.m. meal for herself, husband Don and a guest. The dinner would be quick because she had to get to a 7:30 launch at the city's handsome supervisor, McNally Robinson. And, oh yes, she had picked up a new green dress before heading home for a late afternoon photo shoot, this one for *People* magazine. Although Shields sailed through it all with a mixture of icy precision and good humor, she wasn't taking it toll. "Just [telling] to yourself 'buckling up, you're in a certain amount of self-loathing,'" admits the Pulitzer Prize-winning author, 62, who is living proof of her new book to two months. "I simply can't do that for a prolonged period. I have to get home between stops."

Home for the web-savvy author is a lightest apartment that overlooks the winding Assiniboine River. The spacious, light-filled living room is filled with reminders of some of the 30 works of fiction she has created since her first novel, *Small Ceremonies*, was published in 1974. Over the mantelpiece is a print called *The Orange Fish*, which figures in the title story of her 1989 short-story collection. Below the print is a map of the house where she and her children (who range in age from 20 to 30) and her son-in-law live, her bestselling 1993 novel, *The Stone Diaries*, contained real-life photos of some of those same family members in Shields's fictional biography of her heroine, Daisy Goodwill.

The Stone Diaries was the book that propelled Shields into the bestselling stratosphere. It appeared on all the major best-seller lists, and won her a slew of awards, including the Governor General's Literary Award and the Pulitzer Prize, as well as a Booker

The author, "You can't have on the TV without seeing me portrayed as idiot."

1987 book, *Rescue A Mystery*, because a feature film in 1992, and two other adaptations—one of *The Republic of Love* (1992) and another of *The Stone Diaries*—are currently in the works. Winnipeg filmmaker Bruce Dugren, one of the producers of *The Republic of Love*, says that Shields's recent fame helped open doors when he went looking for financing for the movie. "When we started we didn't exactly get a thrilled reaction when we'd say it's a love story set in Winnipeg by a Canadian writer," he recalls. "But now, when we say it's a love story by Carol Shields, people are interested."

As Shields unveils *Larry's Party*, readers are more than just interested—they are plunging down 831 to buy the book in huge numbers. In Winnipeg, more than 900 people turned up at the home town launch for *Larry's Party* on Sept. 6, snapping up 300 copies, a record online sale for a single title at McNally Robinson. Within four days of the book's official Canadian release on Sept. 13, Random House went back to its printers to supplement its initial run of 50,000 hardcover copies. And all this before Shields had done any interviews with national media outlets. Meanwhile, the book has been selling briskly in Britain, since its August launch (although it did not make this year's Booker Prize shortlist). And Shields has already concluded the first leg of a 30-city American promotional tour.

It's an axiom of the book industry that women read more fiction than men. But *Larry's Party* may attract more male readers than

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usual, because Shields has set out to explore "what it's like to be an ordinary middle-aged guy at the end of the century," she puts it. The idea originated with a late discussion among Shields's women friends about how the very definition of masculinity has changed dramatically as women's expectations of men have changed. And the story evolved as she connected male friends and family about their experience. "Of course," she recalls, "nearly everyone at the time said that I'm not a typical guy." Don Shields, the author's husband of 40 years and the dem of engineering at the University of Manitoba, comments dryly on the reality he's considered about his wife's book: "Every man born between 1948 and 1952 has spoken to me lately."

The novel covers a 20-year span in Larry Miller's life, between ages 20 and 40—"when the bedrock of a life is laid down," says Shields. The author finds her character through two marriages and divorces, fatherhood, career changes, sexual ecstasy and angst, drug, alcohol and fleeting periods of contentment. The book is set during a social era, 1977 to the present, when gender roles have never been more confused. "I wanted to be very careful about not presenting Larry as a buffoon," Shields recalls. "Something has happened in the language. You can't turn on the TV without seeing that man modeled or portrayed as idiotic—the way women were in the 1950s, with all those jokes about the mother-in-law or the lady driver or the dumb secretary."

Larry is not a buffoon, though he may seem moderately good-natured and almost passive to some readers. Born into a loving but emotionally repressed working-class family, Larry grows up to be a mediocre student, he is also painfully unarticulate and beset by the usual sexual anxieties. His quest for love drifts into a job as a floral designer that a honeymoon visit to England and the famous Hampton Court maze leaves him with a passion for the green-laid labyrinths, their twisting treacherous and promise of reward. His obsessive plays a part in breaking up his first marriage and indirectly leads him to a second wife.

Shields also has a fondness for mazes, and says it was "pure pleasure" to research the arcane details of their history and designs. In a stroke of literary artifice, Shields uses the maze—how its blind pathways and dead ends force people to retrace their steps, how it offers the hope of finding the one true path—as an extended metaphor for Larry's journey through life. But the directness of the device does not reduce the vitality of the characters within it. Larry remains endearing, not because of his economic occupation, but because he is so intent on understanding himself. Unsettled at 40, he cannot even take his own suffering too seriously like cringes at the words "midlife crisis" or "male menopause," those trumpeted diseases of elite and trivial contemporary man.

Larry may seem just another of those barberscours, those woken men thrown, those men of middle-class who are biologically predictable. But his life is touched by melancholy and luck. Shields insists that her own career is very much the product of chance. "I drifted into writing fiction," she says. "I certainly never set out with a plan [for my career path]. With five children, I was just too busy." Born and raised in Oak Park, a suburb of Chicago, Shields was an exchange student in England when she met her husband, a Maclean's there on a scholarship. In 1957 they married and moved to Canada, living in several cities before settling in Winnipeg in 1980. Shields wrote spontaneously during most of the 1980s and '90s

while she raised one son and four daughters. "I used to have about one hour a day, and my first novels were very short," she recalls. Daughter Catherine, a librarian who works with her mother as a 1985 play, *Pauline, Pioneer Girl* and the *Cherry of Fennell*, recalls that her mother always wrote. "On long family car trips, she would always be scribbling in a little notebook, with this abstracted look on her face," she says. "We just thought all Mom did that." Shields's early novels—*Small Creations*, *The Bar Garden*, *Highly Intelligent* and *A Fairly Contented Woman*, published between 1976 and '80—are pretty satirical looks at the women in middle-class families. While the author continues to write the same territory, she has become far more stylistically experimental in her recent books.

Shields still works at her writing almost every day, and her duties as a columnist for her family obituaries. She thinks that most novels and screenplays ignore the prevalence of work in people's lives. "When I came into that movie *Four Weddings and a Funeral*, I was in a race, just nervous," she recalls. "Absolutely no one in that film had a job. People's work lives are written out of most novels, too, and considering how much time they spend working, it's weird."

Shields has served on the board of the Canada Council and for many years taught English and creative writing. She professes optimism about the future of fiction in Canada, pointing to the phenomenal amount of attention domestic novels are getting abroad. "Every time I'm in Europe," she says, "interviewers ask me to explain my theory on the explosion of writing in Canada." According to fellow Winnipeg writer Jake MacDonald, Shields takes a personal interest in nurturing younger talent. "Carol and her husband are like the royalty of Winnipeg book circles," he says. "They always make sure that you get invited to dinner, and they're unbelievably generous and gracious."

That generosity of spirit seems to infuse her fictional worlds, too. On balance, the success of Larry's Party is impressive. It's a terrible thing to say, but there is also the reflection of love and friendship, the compassion of words and memory. People can be blindsided by happiness. Larry recalls standing on a Winnipeg street corner 20 years earlier, possessed by a sudden feeling of well-being. "Love was waiting for him. Transformation. Goodness. Work. Understanding. The reinforcement and liberation of words... All he had to do was stand still and allow it to happen."

In fact, while acknowledging that much fiction chronicles the prevalence of evil, Shields believes it is just as interesting to explore why its opposite endures. "I believe in goodness," she says. "I'm amazed by the amount of goodness in the world. And I think that makes me a very unlovable writer." She notes with humor that even the English language seems to conspire against her. "I had no students get out their dictionaries and thesauruses and look up all the same for happiness and love," she remarks. "And do you know, the English language is much richer in the language of despair than joy. There's only a handful of words for happiness, and they tend to sound glib or even silly."

With *Larry's Party*, Carol Shields proves that there is a language for happiness that is original and engaging. And like all her fictional works—replete with the significance of small lives and small circumstances—it is a resounding confirmation of the mystery of the ordinary. □

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Forbidden flames

A director takes some heat for her new movie

BY BRIAN D. JOHNSON

More than a year has passed since it premiered at the 1998 Toronto International Film Festival. Only now is *Pee* finally being released in Canadian theatres. And from the beginning, there has been a raging question about its status: is a story set in New Delhi and shot in India with an all-Indian cast, can it be considered a Canadian movie? Not according to Telefilm Canada, a guideline, which forced Toronto writer-director Deepa Mehta to seek all funding for the \$1.6-million movie privately. But the Toronto festival considered the film Canadian enough to give it the opening spot of its Perspective Canada program. *Pee*, which has sparked controversy in Indian communities around the world, has since been bought by distributors in 30 countries. The very last territory to buy it—even after the United States—was Canada. "It is more banned than *Avatar*," says Mehta, 47. "This seems to be a country that says hang onto your heritage, and if you do you're penalized for it."

After being banned by Cineplex (1994)—which allowed her to work with Hollywood



Now, Chowdhry, controversy in Indian communities around the world

stars (Bridget Fonda and James Threlby) but robbed her of creative control—the Indian-born director has retouched, phoneticized, with *Pee* it is a feminist tale of two women who overturn tradition in a middle-class New Delhi household. Radha—played by the magnetic Indian star Shabana Azmi—runs a tolerant restaurant and keeps up years with a husband who has become abusive to serve his spiritual guru. She finds solace with her son-in-law, Sita (Nandita Das), a young bride whose new husband

refuses to give up his Chinese inheritance. In Mehta's pointed depiction of Indian sexism, the male characters are all deeply villainous: a desperate gender-militant down to the household servant, Munda (Girish Chowdhry), who shocks Radha's stroke-paralyzed mother by masturbating to X-rated videos. But the tender friendship between the two wives, which blossoms into an inflammatory romance, has real depth.

Although the script's didactic touches are jarring, the movie's brightest casts a spell. *Pee* is gorgeously photographed, with interiors washed in orange and sun-drenched balconies. The sky love scene between the women takes place in a house veiled with mosquito netting, an oasis of sensual calm. The movie's portrayal of sexual transgression seems tame by Canadian standards. But, under pressure from Indian communities, it has been banned in Singapore and Kenya. And after a Calgary screening, it calls Mehta, "an Indian man came up to me and said, 'How could you do this to the L word?'" But Mehta insists that "it isn't a lesbian film. It's about my roots, about arranged mar-

riages, about that whole weight of tradition." Meanwhile, *Pee* has sparked a new project for its director. Mehta plans to make it the first installment of a trilogy she already has financing to shoot. *Water*, a \$3.6-million movie set in the 1930s on the banks of the Ganges, and has written the script for *Earth* set during the 1947 partition of India and Pakistan. Testing the traditions of her homeland, and examining the tensions of Canadian film making, Deepa Mehta has tossed the elements and rekindled her career. □

Below-the-belt comedy

THE FULL MONTY

Directed by Peter Cattaneo

It is the little movie that could: Not since *Four Weddings and a Funeral* (1994) has a British comedy created such a buzz. *The Full Monty*—a box-office sensation in the United States after two weeks of release—proves once and for all that there is nothing in the world quite so funny as an embittered Englishman taking off his trousers. In this case, there are six of them, a dirty talk-down bicker in the downcast steel town of Sheffield who turn a male strip revue. It is as if they have taken the title of Michael Moore's best-seller as a defiant call to arms and said: "Downsize that!"

Under the buoyant director of newcomer Peter Cattaneo, *The Full Monty* marks the bare-bottomed of the '90s. Gary Oldman with the gritty working-class realism of such current British directors as Mike Leigh and Ken Loach. Robert Carlyle, the scrappy Scottish actor who played the psychopathic beggar in

Trainspotting, stars as Gaz, an unemployed steelworker who is on the losing end of a child-support fight. He hatches the outrageous scheme to earn some quick cash, and his selling point is that, unlike Chaplin-style dummies, he and his buddies will take it all off—the full monty.

Holding auditions in an abandoned factory, Gaz recruits a troupe of decidedly uncomic dancers from among his mates. They include Don (Mark Addy), who is overweight, impotent and depressed; Gerald (Tom Winstone), an uptight ex-farmer who can't bear to tell his spendthrift wife that he has been jobless for six months; and Hans (Paul Barber), an aging black man with an ancient reputation of fancy dance moves.

Balancing burlesque comedy with a streak of sentiment, the story is a light. But it is impossible not to love this sweetly incongruous bunch of working-class heroes who are forced to rethink their manhood. And the movie itself is a hilarious mess—leading up to the payoff performance at the end, when the men unveil their "tackles" (with tricks to the camera) as Tom Jones sings "You can leave your hat on." Hits off to *The Full Monty*.

B.D.J.

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Allan Fotheringham

Parsing piffle with the premiers

The McDougall Centre is an oasis of calm amidst all the towers to Montreal that make downtown Calgary such a paved-over wasteland. It was built in 1997 of a pleasing sandstone—there's a touch of Santa Fe to it—in the classical revival style that was popular in those times. At the official opening, Alberta Premier Alexander Rutherford declared the building "the finest in the Dominion."

It has lovely grounds and flower beds and across the site for the provincial government's offices in southern Alberta. It is named after a Methodist missionary whose family settled here in 1860 and because a passionate defender of Indian causes, particularly the Stoney Indian tribe just west of Calgary.

It is entirely appropriate, therefore, that these hallowed grounds host nine-tenths of the premiers of Canada, whose only hope is prayer. They have no ideas, they have no direction, and only the ghost of a Methodist missionary has any chance of saving them.

The hallowed flower beds are in danger of obliteration as the camp followers of the Constitution sleepily about. You can tell this is a provincial premier's meeting because the main players are none of TV techies—all in jeans and casual trousers.

In the wake of the dying of D-quarantine and all that—one wonders whether all this attention to the Confused Nine is really necessary. To paraphrase Winston, never have so many been ignored as right now, so few.

Mingling the most lowly, sitting on stale coffee, were some 110 bored and jaded types—from the CBC producer in the Los Angeles Times room. Of the 130 wool-gatherers, 36 were from the CBC—from Don Newman and James Moscovitch down to the lowliest (Canadian-protected) baggage-washer. It is thus really what we need to report that the premiers couldn't decide what to do and therefore clouded their leadership in wadded piffle, belligerence and codswallop? One wonders.

In the aftermath of the Puro tragedy and the London angst and Earl Spencer's searing eulogy in Westminster Abbey, there is perhaps some time for reflection. As we waited for 30 hours in the autumn Calgary chill, waiting for a press conference we knew would

be nonsense, one quiet chat on the lawn ensued. "Do you think if we weren't there, they would be?"—nodding his head to the city down above where the piffle was being poured like a bad omelette.

The answer is probably not. If a tree falls in the forest and there is no one there, is there any sound? This describes perfectly a provincial premier's conference, where they try to decide how many angels can dance on a pinhead.

Covering such a force is the same as what they used to say in the army—hurry up so you can wait. The premiers are here because the mass man—terribly unpopular in his own province—is not much of a factor in the sequestered debate and so has included his responsibilities on the Confused Nine.

Flattened by the attention, they have scheduled this confab in Calgary while they still have the attention of the headlines. So they retreat behind closed doors, surrounded by high swivel servants who know how to parse piffle, how to construct bafflegab, how to put the proper tone in codswallop.

It is all out of *Waiting for Gullot*, Samuel Beckett's stage classic where two droplets in a vacuum wait in vain for someone who is never going to come. The potted robots waiting on the dark Calgary lawn are also actors in a staged event, the maddening sense hiding behind the window above knowing that the cameras—the rare-mouse cameras—will be there no matter how late in the night they emerge with their cameras.

Among the robots is the wise Graham Fraser, just returned from his Glady's and three Wallace, leaving his London just with Merivale to become Ottawa bureau chief. They were tentative, they couldn't, at trying to get up to speed on these nine confounded happenings. They didn't, after an hour on the lawn.

Some plot, different stage, some piffle, just change the names. How can one take seriously the thinkers of the cause who issue a Framework for Discussion on Canadian Unity of seven brief paragraphs that states "the legislative and government of Quebec have a role to protect and develop the unique character of Quebec society within Canada."

Followed immediately by a paragraph stating: "I say future constitutional amendment confers powers on a province, these powers must be available to all provinces." Say what?

George Orwell in *Animal Farm* taught us that everyone is equal but some are more equal than others. The premiers in their ruffled jeans and Armani T-shirts, to demonstrate that they are just like the lads down at the mall, are not up to the task tasked to them by a Prime Minister who can't figure out what to do. To you we throw the torch could be more accurately described as "you guys grab this burning nuclear."

They would be well advised to go back to sewer bylaws and paving roads while we look, in vain, for a leader in Ottawa who can lead.



By Allan Fotheringham

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